



Washington Human Resources 2005

Building Human Resource Excellence for Tomorrow

HR 2005

Design Options and Recommendations

Page	
2	Introduction
5	Section 1: Classification and Compensation
36	Section 2: Recruitment and Selection
71	Section 3: Performance Management
86	Section 4: Reduction-in-Force
99	Section 5: Work/Life Balance
109	Section 6: Appeals

NOTE: This document reflects the conceptual design options and recommendations for the state's new human resource system *as of May 2003*. The concepts contained in this document were presented to agency management teams and to focus groups (employees, human resource professionals, and labor) in May and June. Based on those discussions and other feedback received through the website posting of this document, these recommendations will be further refined. The Department of Personnel intends to reach final decisions on these recommendations this summer, and will commence detailed development of specific components of the new system. General information and feedback sessions on these decisions will take place throughout the state, beginning in August 2003.

This document is also available at hr.dop.wa.gov/hrreform.



May 2003

Introduction

With passage of the Personnel System Reform Act of 2002, Washington State has been presented the unique opportunity to replace the state's 43-year-old civil service system with a new, modern human resource system.

The challenges facing state government today are far more complex and fraught with risk than they were four decades ago. Citizens expect, and deserve, a state workforce that is not only capable of meeting these challenges, but that is motivated to continually improve the quality, timeliness, and efficiency of services delivered by state agencies and institutions. Increasingly, taxpayers are demanding greater accountability from government. They demand good value for their dollar, and to be shown that their tax dollars are spent on their priorities.

Achieving results in government, probably more than any other business, is highly dependent upon the quality, judgment, and motivation of its workforce. Maintaining that workforce today requires a human resource system that supports modern management practices and helps the state attract, reward, and retain a highly skilled and motivated workforce.

The state of Washington is committed to building a responsive human resource system that flexes with state government's changing business needs, and treats employees with fairness, dignity, and respect.

Design Criteria

The following design criteria have been adopted to guide the design and development of a new human resource system for the state, which is often referred to as Human Resources 2005 (HR 2005) since that is when it will be implemented:

- Focused on outcomes, rather than process
- Minimal number of rules
- Easy to understand and simple to use
- Fast and responsive – responds quickly to a variety of needs and situations
- Open and flexible; provides multiple options
- Adaptable to change; can be easily modified and improved
- Automated to the degree possible
- Ensures fair treatment for employees and managers

Research

In order to create the best system possible, the Department of Personnel (DOP) began the design process with extensive research of customer needs and current best practices. DOP surveyed state employees, managers, and human resource professionals; held focus groups; conducted more than 50 information and feedback sessions throughout the state; and posted a feedback forum on the Internet. In all, close to 8,000 individuals provided input on customer needs and preferences. More than 35,000 written comments were received.

In addition, DOP conducted extensive research of trends and best practices among other public and private sector employers. Information was collected from all 50 states, federal and local governments, other countries, selected universities, private sector employers, and human resource organizations. Dozens of reports, articles, books, and web sites were carefully studied.

An overriding theme from all of the research findings was the need to move towards a performance-based culture. This is the clear trend among progressive employers nationwide; it is consistent with the taxpayers' demand for greater accountability in government; and it aligns with the needs and desires expressed by state employees, managers, and human resource professionals.

Customer research respondents repeatedly spoke of the need to reward excellent performance and provide for fair treatment of employees. They expressed the need for a system that would hold managers accountable for setting clear expectations, providing timely and meaningful evaluations, recognizing good work, giving feedback and coaching, and addressing problem performance and behavior. A strong majority of both employees and managers supported factoring performance into key personnel decisions such as hiring and promotions, salary setting, and reduction-in-force. Respondents also recognized that such an increased emphasis on performance and accountability would mean a significant culture shift. A successful transition would require adequate training and strong support systems.

Design Process

In order for the new system to meet the needs of all affected parties, it is critical for representatives of various customer groups to be actively involved in its development. The Department of Personnel is committed to working in partnership with state employees, managers, human resource professionals, and union representatives in building the new system.

Once the research was completed, five interagency teams were brought together to develop the initial design concepts for key elements of the new system. The five Concept Design teams, made up of managers, employees, and human resource

professionals from a variety of state agencies and higher education institutions, as well as union representatives, focused on the following key areas:

- Classification and Compensation
- Recruitment and Selection
- Performance Management
- Reduction-in-Force
- Work/Life Balance

The teams submitted their findings and recommendations to the Director of the Department of Personnel. DOP management then carefully reviewed the recommendations to determine the most viable options. Considerations included resource availability, implementation time, culture readiness, legislative intent, supporting infrastructure (such as human resource information system capability), consistency with the overall design criteria listed on page 2, and integration with the other components of the civil service reform legislation.

This document describes those options and recommendations considered most viable as of May 2003 for review and feedback by a broader audience. Presentations and discussions with agency managers, human resource professionals, and state employees will take place during the spring and early summer of 2003. Based on this dialogue, the recommendations and development work will be further refined.



SECTION 1

Classification and Compensation

Page

6	Background
7	Classification Structure
8	The Existing Job Classification Structure
9	Proposed Classification Structure
15	Other Classification Options Considered
16	Compensation Options
16	Compensation Philosophy
17	Compensation Tool Kit
18	Base Pay
24	Pay Practices
29	Classification and Compensation – Other Considerations
31	Appendices

Classification & Compensation Options

Background

The Classification and Compensation Concept Design Team was convened by DOP to identify possible options and make recommendations for a modern classification and compensation structure for the state's new human resource system. The team membership, listed in Appendix 1, represented a wide variety of interests and organizations including higher education institutions, state agencies, labor, management, employees, and human resource professionals.

The team used information from a variety of valuable resources including research conducted by DOP of public sector human resource systems across the nation, particularly those states that have undertaken relatively recent classification and compensation reform efforts. The team consulted directly with experts in other states and in the private sector.¹

Feedback from state managers and employees that was gathered from focus groups, customer surveys, and information/feedback sessions conducted by DOP in 2002 was highly valuable in identifying problems with the existing system and preferences for new classification and compensation processes.

In addition to the overall HR 2005 design criteria listed on page 2, the following specific expectations were provided to guide the team's efforts:

- Substantially reduce the number of existing job classifications².
- Expand salary ranges in order to provide greater compensation flexibility.
- Combine general government and higher education classification systems.
- Factor employee performance into future compensation practices.
- Ensure that new systems do not cause present employees to experience salary losses.
- Ensure that new compensation approaches are cost neutral or funded from within users' existing resources.

¹ In particular, the team consulted with Steve Loux who was the Compensation Manager with both the states of New Mexico and Oklahoma while those state governments underwent significant redesign of their classification and compensation systems. In addition, team members participated in an intensive compensation workshop addressing performance pay concepts and other forms of variable pay conducted by Jim Fox, partner of Fox Lawson public sector compensation consulting firm and Karin Hollohan, Human Resource Manager for Colorado Springs Utilities.

² This is a requirement of the Personnel System Reform Act of 2002, SHB 1268

Important factors in the current state operating and authorizing environment affecting this design work include the legislative requirement that rules for the new classification system must be adopted by the Washington Personnel Resources Board (WPRB) in March 2004. Well before then, a clear sense of classification and compensation design is needed to serve as the foundation for development of a new, human resource management information system that will support the new HR policies and processes and collective bargaining. Therefore, time is a very critical factor.

The team analyzed a number of classification and compensation topics and models, identified possible options, listed their advantages and disadvantages, and provided recommendations to the Director of Personnel.

After careful review and analysis, DOP determined which of the classification and compensation options (or modifications thereof) were most viable and should be presented for feedback to a broader audience. These are outlined in the remainder of this section.

Note: It was determined not to address the Washington Management Service system that is currently in place for classified managers since it is working well. If necessary, though, it can be incorporated in the options presented herein.

Classification Structure

The civil service reform law³ contains the following specific goals regarding a new classification structure and process for jobs in the state's classified service:

- To improve the effectiveness and efficiency of the delivery of services to the citizens of the state through the use of current personnel management processes and to promote a workplace where the overall focus is on the recipient of governmental services;
- To develop a simplified classification system that will substantially reduce the number of job classifications in the classified service and facilitate the most effective use of state personnel resources;
- To develop a classification system to permit state agencies to respond flexibly to changing technologies, economic and social conditions, and the needs of its citizens;
- To value workplace diversity;
- To facilitate the reorganization and decentralization of governmental services; and,
- To enhance mobility and career advancement opportunities.

³ Personnel System Reform Act of 2002. SHB 1268

In addition to this directive, the following considerations were applied in designing possible options for a new job classification structure:

- Reasonable order and consistency in design
- Ease of communicating to management and employees
- Ease of transition from current to new structure
- Capability to be flexible to labor market changes
- Compatibility with a new computerized human resource management system
- Ability to accommodate a wide variety of compensation approaches
- Improved efficiency in performing ongoing classification and compensation responsibilities, such as: promotions, reallocations, maintenance of internal pay relationships, ability to budget for salary change costs, career pathing, etc.

After reviewing conceptual design possibilities for a new state job classification structure, the Department of Personnel determined that the most viable option is one that places jobs into distinct occupational categories and wide salary bands. This structure best meets the HR 2005 design criteria, the statutory directives, and the other considerations listed above.

The recommended design is discussed in detail beginning on the following page. To put it into context, it is first worthwhile to briefly describe the existing classification structure.

The Existing Job Classification Structure

The existing classification system for Washington State general government agencies and higher education institutions contains 2,400 separate job classifications. Each of these job classes is assigned a salary range from the state's compensation plan. There are 99 salary ranges to select from, although 83 are actually used at present.⁴ Each salary range is approximately 28% in width (salary dollar minimum to maximum) and is composed of 11 steps (A-K) that are approximately 2.5% apart in value.

Employees progress up the steps in a range, based solely on longevity, until they reach the top of the range. This takes about 4½ years. At that point, the employee's salary is frozen. Other than general cost-of-living-adjustments, typically the only way to get a salary increase is to move to a higher salary range, either through promotion to a new job or by having the position reallocated to a higher classification based on incremental increases in duties and responsibilities. The existing system does not recognize individual differences in performance, development, value, and contribution to the organization.

⁴ It is noted that in other public sector organizations, the average number of pay ranges is 37, and most have under 30 pay ranges.

This lock-step salary structure recognizes very small differences in job value, but it is highly inflexible requiring a change in salary range to effect even modest salary growth. Nearly two-thirds of general government classified employees are at step K, and nearly three-quarters will be at step K by the time HR 2005 is implemented. As such, under the present system, they will have no room for salary or career growth unless promoted or reallocated to a higher range. Under the present system, there are several limitations surrounding promotions and reallocations, and both types of actions require significant administrative efforts and are very time-consuming.

Proposed Classification Structure

The recommended new structure completely redesigns and consolidates the existing general government and higher education classification plans into a single plan with approximately 200-300 broad, but descriptive, occupational categories.⁵ Jobs would be placed into occupational categories based on commonality of work (see Appendix 2 for the draft criteria).

Most occupational categories would then be divided into four general levels of work. The following levels would be generic to most occupational categories (Appendix 3 provides more detailed definitions):

Level 1 – Entry

Incumbents work under close to general supervision and within narrowly established guidelines.

Level 2 – Journey

This is the working or fully qualified level.

Level 3 – Senior

This is the most complex or in-depth work and is often described in a variety of ways including Specialist, Expert, or Lead.

Level 4 – Supervisory

Incumbents have delegated authority to perform functions such as, but not limited to, selection, training and development of staff; assigning and evaluating work; and taking corrective action.

These levels would be considered the job “classes”. As such, the new structure would have somewhere between 800-1,200 job classes (the number of occupational categories times 4 levels). This compares to 2,400 job classes in the existing system.

A number of other states use variations of this approach, such as New Mexico, Oklahoma, Virginia, South Carolina, and Florida. Some of these states use the federal

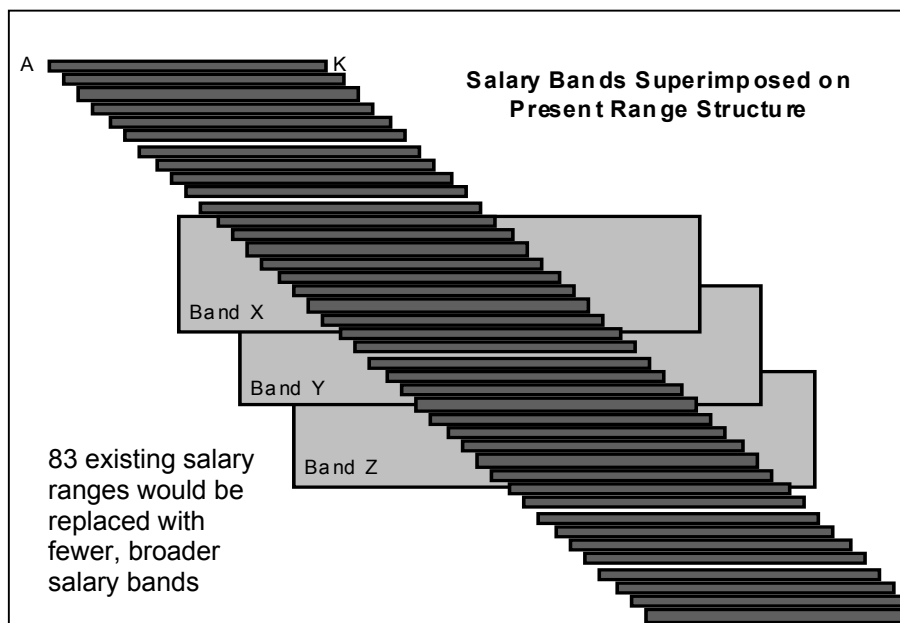
⁵ The number of occupational categories can only be estimated at this time. A more precise figure would follow further development work that requires significant involvement of user agencies and higher education institutions.

Standard Occupational Codes (SOC) to create their categories, while others have created their own categories so that they were carefully tailored to their unique situations.⁶ DOP believes that the best approach would be to create a structure more on point with the work performed in Washington State government.

An example of an occupational category is “Office Support, and Secretarial”. In the existing classification structure, there are 47 job classes for this type of work. Under the new structure, these 47 classes would be folded into the “Office Support, and Secretarial” category. Then, within this category, jobs formerly assigned to those 47 classes would be re-assigned to one of the four levels of entry, journey, lead, or supervisory.

In other words, these four levels (or classes) would replace the 47 separate job classes for this occupational category.

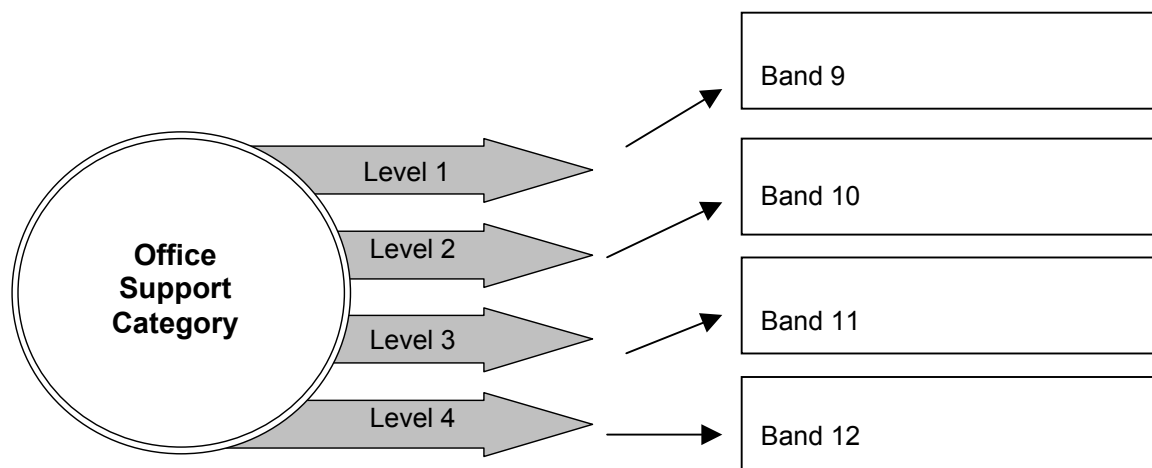
The recommended salary structure that would accompany the new classification system would consolidate and broaden the existing 83 ranges of 28% average width to approximately 25 salary bands with an average width of 65% (*please note that these are general estimates at this point for illustration purposes*). Each salary band would have its unique minimum and maximum dollar amount. The higher the band, the higher the minimum and maximum salary amounts.



⁶ In revamping its classification system, New Mexico chose to use the SOC and is now having to significantly modify the structure away from those codes. In a white paper issued in April 2002, the federal Office of Personnel Management describes SOC codes as work level descriptions dating back more than 50 years that are not meaningful for today's knowledge-driven organizations.

For any one occupational category, each of its four levels would be assigned to a separate salary band. For example, in the “Office Support” category, Level 1 might be assigned to Band 9, Level 2 to Band 10, Level 3 to Band 11, and Level 4 to Band 12. This example of salary bands and how levels within occupational categories fit into them is illustrated below:

Hypothetical Example



While a specific level of an occupational category is unique to a particular salary band, no band is unique to a certain level or occupational category. In other words, several occupational categories could be reflected within any one band.

For example, while Level 3 of the Office Support category might be in Band 11 (as shown in the hypothetical illustration above), Level 1 of the Human Resources category might also be in Band 11. This is no different than the present situation where several different types of jobs are assigned to a particular salary range.

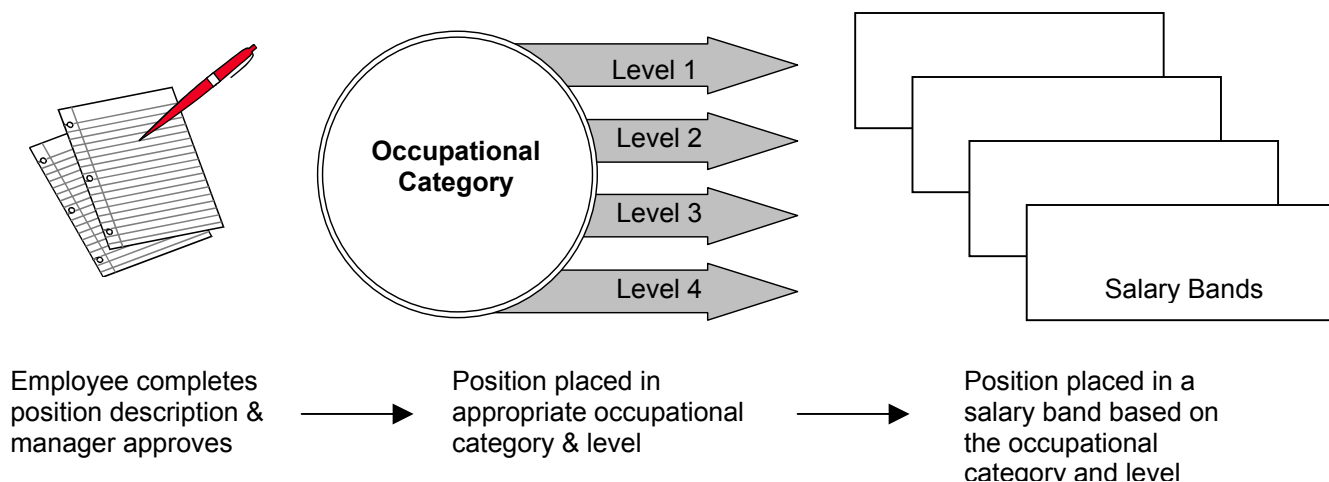
Individual positions would be assigned to a level within an occupational category using the whole job comparison method currently in place (jobs assigned a place in the hierarchy reflecting their value relative to the value of other jobs). However, the broader occupational categories and clearly defined levels will significantly streamline this process. Basically, the process would be as follows:

- (1) Following an appropriate job analysis, a position description would be prepared that describes actual duties and responsibilities of the job, key competencies necessary for job success⁷, and essential functions and working conditions.
- (2) Based on this information, the position would be placed into an occupational category on an almost self-allocating basis by comparing the position's work to the

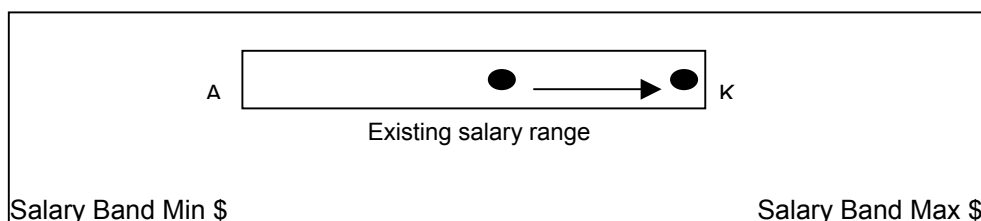
⁷ This addition of key competencies (skills and knowledge) needed for success in the position would also be useful for recruitment purposes, performance management, and layoff administration.

occupational category definitions. Because the categories are relatively broad, such as “Law Enforcement”, “Health Care”, “Engineering”, etc., this should be an easily reached, non-controversial decision.

- (3) The position’s duties would then be compared with the four defined levels of work within each category (i.e., entry, journey, senior, supervisory) and placed at the appropriate level. Because there would be a maximum of four broadly defined levels in each category, this too should be an easy decision to reach (which would naturally set aside the disputes and appeals that inevitably arise in a more tightly described system).



Upon initial implementation of the new classification structure, employees would transition into their new occupational category and level *at their current salary*, as illustrated below. The only exception would be to bring an employee’s salary up to the minimum of the new salary band if it is presently below it.



Employee transitions in at existing salary. If not already at step K, will continue to receive longevity increases until reaching equivalent dollar amount of step K.

Subsequent to initial transition into the new classification structure, positions would be placed in the appropriate spot within the salary band on the basis of a combination of key factors, including (but not limited to):

- The pay standard (e.g., weighted average salary) for the category/level and for most similar jobs
- Tenure and experience of incumbents in most similar jobs
- Internal alignment
- Internal equity; peer placement
- Extraordinary position specific circumstances such as locality, special skill needs, recruitment/retention issues, etc.
- Special candidate competencies brought to the job

The Department of Personnel would provide specific criteria, guidelines, and an evaluation grid or checklist to help agencies/institutions collect and assess the data necessary to make fair and appropriate decisions for position placement within the band.

Ongoing compensation administration considerations, such as the pay “spread within band”, anchor points, longevity based progression increases, performance-based salary increases, etc., are discussed in more depth later in this section.

Given the broader occupational categories and levels and the wider salary bands, formal reallocation (as it is known today) based on incremental increases in duties and responsibilities would largely be unnecessary. Rather than having to petition to change position allocation to a different job class, the employer would simply move the employee along the salary band in a dollar amount that appropriately recognizes the employee’s increased value and contribution.

DOP would provide guidelines to assist with these decisions. However, development of standards, processes, and implementation detail would be decentralized to agencies and institutions who would carry this out in relation to their unique business needs, resources, and any collective bargaining agreements. DOP would provide support systems, coach, train, and monitor, as well as collect and report salary administration information.

Promotions would be defined as moving to a higher salary band. This could occur by moving from one level to a higher level (e.g., from entry to journey) within a category. It could also occur by moving from one category to a higher priced category (e.g., from secretarial support to information technology).

The process for promoting would be simplified by minimizing rules and procedures. Incumbents would no longer be required by rule to compete for their own job when promoted to a higher level based upon an aggregate of work assignments. Also, employers would be granted authority (within guidelines) to determine the amount of salary increase tied to a promotion based upon the employee’s increased value and contribution to the organization. These activities would be decentralized. DOP would provide support tools and consultation, as well as monitor salary administration.

The opportunity for pay growth within existing job classifications afforded by the wider salary bands of this concept gives employees an incentive to actively pursue career

growth and begins to incorporate a performance-based culture. It also gives employers appropriate flexibility to customize the dollar amount of salary adjustments associated with the proposed new compensation options discussed later in this section. This approach is consistent with other public sector organizations that have consolidated and streamlined their classification and compensation systems.

The advantages of the occupational category classification approach include:

- Clearly meets legislative direction to “substantially reduce the number of job classifications” by reducing 2,400 classes to approximately 800-1,200.
- Simplifies allocation of positions into broad occupational categories and levels. Minimizes time spent making allocation decisions.
- Easy to communicate allocation decisions. Minimizes disputes and appeals.
- Broader, more flexible classification system enables users to respond to changes (e.g., labor market, economy, technology, bargaining).
- Broader structure helps to enhance mobility and career growth opportunities.
- Broader structure provides ability to reward achievement, within existing job arena.
- Wider salary bands provide the flexibility needed to implement new compensation tools and move toward a performance based culture.
- Salary flexibility facilitates competition for diverse talent and special skills.
- Easier to maintain internal alignment with broad occupational groups and fewer job classifications.
- Can be administered without a complicated, time-consuming, and expensive point factor system.
- Could easily assimilate Washington Management Service if that becomes necessary.

The disadvantages of this approach include:

- Transition to and implementation of a new system will require focused training and support in a relatively short timeframe.
- May create identity anxiety for employees who are most comfortable with very specific job class titles for their jobs.
- Some may be uncomfortable with fewer rules and greater authority granted to system users.
- Greater salary flexibility could increase claims of disparate treatment if not managed with care.

In general, the occupational category classification structure is a highly viable new approach. It very significantly streamlines the classification plan, is easier to understand, and is easier to work with. It minimizes process and administrative time and cost. It is easily decentralized to users allowing for customization to meet business and

employee needs. It allows new pay delivery options and the salary flexibility needed to incorporate a performance-based culture. It addresses many of the concerns and preferences that state employees and managers expressed as part of DOP's customer research.

Other Classification Options Considered

The Classification and Compensation Concept Design Team identified other possible options but recommended against them. The Department of Personnel agreed with the team that these options were not viable.

One option was a revised version of the existing system which consolidated the general government and higher education job classes thereby making some reduction in the number of job classes. It suggested a very slight salary range width increase from 28% to 33%. This approach is not deemed to meet legislative intent. It is basically status quo and carries with it the same problems of the present system.

It does not go far enough to reduce job classes and streamline the classification plan. It does not integrate the necessary degree of flexibility to address workplace change and foster career mobility. It does not significantly move the state's classification and compensation system toward a performance-based culture.

Another option considered was to broadband the entire classification system much like the Washington Management Service is structured. Such a structure would significantly reduce the number of job classes and create considerable room for salary and career growth. However, it would be very difficult to implement and sustain with the diversity and number of jobs found in the general classified service. It would be a highly significant change, and the time, training, and resources required to make it work would be impracticable.

Compensation Options

Several critical factors are causing public sector organizations at all jurisdictional levels to rethink and redesign traditional compensation systems. A competitive labor market created, in part, by growing skill shortages, coupled with changing expectations and attitudes among generations of employees, requires compensation to be both progressive and strategy-based if it is to be a successful business practice.

Progressive compensation systems offer managers flexible tools and choices for compensating their employees and dealing with difficult salary related circumstances. Tools are largely decentralized and require only simple, straightforward approvals to balance the accountability ledger.

Strategy-based compensation systems are proactive in supporting business needs and solving problems. They enhance business performance by linking individual and team performance to pay and creating a strong “line of sight” for employees to results achieved. Ultimately, they incorporate performance-driven behavior into the conduct of business and appropriately reward the employees’ efforts and contributions.

The challenge faced by Washington State government is to attract job candidates with the needed skills and talents, while supporting the development and recognizing the achievements of current employees – all within an uncertain state financial environment.

This is the context in which the Classification and Compensation Concept Design Team identified appropriate compensation options and in which the Department of Personnel offers them as discussed in this section. It is the intent that these options will help transform Washington State’s compensation plan into a progressive and strategic system.

Compensation Philosophy

An overall compensation philosophy is necessary to provide a supporting framework for using the various compensation tools discussed herein. A compensation philosophy is a series of statements about the intent and approach an organization takes in providing compensation to its employees. Adherence to the philosophy is fundamental to a credible, consistently administered compensation system. The following is proposed as the state’s compensation philosophy:

As a matter of compensation philosophy, the state of Washington shall endeavor to:

- Use compensation as a tool to attract and retain the highest quality workforce in a cost-effective manner within the resources available.
- Develop and maintain innovative pay delivery methods that link employee/team achievement with rewards.

- Provide a classification/compensation system that strives to provide fair treatment to employees through equitable assessment of value/contribution.
- Achieve flexibility and consistency in salary decisions through use of easily understood tools and rules to accomplish business objectives.
- Be reasonably competitive in the market place for work most closely associated with the state's critical business missions.
- Administer an open system and process focused on achieving employee understanding of classification and compensation decisions.
- Comply with state and federal laws regarding equal pay practices.

Compensation Tool Kit

The concept of an overall compensation "tool kit" is useful for understanding various compensation approaches and possibilities. The tool kit laid out in this section contains some approaches that are beyond the scope of the HR 2005 options since they are controlled through a separate arena (e.g., those needing legislative approval). In the table below, these are marked with an asterisk (*).

However, most of the options described here are intended to give agencies and institutions a wide range of varied and flexible compensation tools that can be quickly and effectively used to address specific business needs that arise. They include viable choices that are responsive to changing needs and resource challenges. They can also be introduced incrementally to assure that the pace of change is realistic and supported.

The compensation tool kit is composed of two basic pay categories and several pay adjustment methods within each of the categories. These are displayed below and discussed in detail in the remainder of this section.

Compensation Tool Kit	
Base Pay	Pay Practices
1. Longevity progression 2. Performance/Value opportunities 3. Promotions 4. General increases* 5. Partial salary survey* 6. 6767 increases*	1. Overtime 2. Exchange time 3. Recruitment/retention pay 4. Assignment pay 5. Skill-based pay 6. Shift differential 7. Stand-by 8. Call back 9. Equity alignment pay 10. Severance pay 11. Recognition pay

Base Pay

Base pay is the hourly, monthly, or annual salary rate which is definite and recurring and based on an employee's position type and job level. Base pay does not include wage/salary additives like shift differential, pay premiums, lump sum awards, or other specialized pay. Various approaches to adjusting base pay are described herein.

1. Longevity Progression (increases based on longevity only)

In the present system, each salary range is made up of eleven steps (steps A through K), each approximately 2.5% apart. Employees automatically receive two longevity-based progression steps (5.0%) at a time each year until they reach the final step K. This usually takes about 4½ years.

These longevity steps increase an employee's base salary and are currently considered to be "entitled" to the employee based on continued employment.

The civil service reform law requires "increment increases within the series of steps for each pay grade based on length of service for all employees whose standard of performance is such as to permit them to retain job status and continued employment in the classified service." The law implies that there must be multiple longevity-based steps, but does not specify exactly how many.

The salary bands of the recommended occupational category classification structure will broaden the width of traditional salary ranges. Therefore, some portion of all new bands would appear to have "room" beyond the present Step K. Policy will be needed to ensure that employees at Step K upon transition do not receive any additional, automatic longevity increases that seemingly become available because of the wider band. This would be financially impossible and is not appropriate.

In all cases, an "anchor point" must be set to reasonably limit longevity-based automatic progression and preclude uncontrolled salary growth. By rule, no longevity-based adjustments, whether being awarded to a new hire or on the basis of a promotion, could take an employee past the anchor point. However, salary increases beyond the anchor point could be based on other factors, such as performance, recruitment/retention, etc.

By no means would an employee lose money by virtue of the anchor point. Employees would be placed into the new salary range at their existing salary. Employees at step K of their present range would remain at that salary until increased for reasons other than longevity.

Employees who are not yet at the present step K at the time of transition to the new salary range would continue to progress as they presently do until such time as their pay equals (or exceeds) the step K rate of their present salary range. This is a matter of fairness and equity to employees. It is estimated that upon the date of implementation,

30% of employees⁸ will not be at step K. These employees would be separately tracked until they reach what would be step K of their present range. New hires would come under the new progression step plan put into place in July 2005.

Following initial transition into the new structure, DOP is proposing that when a position is placed in a salary band, it be assigned a salary spread of X% based on factors such as:

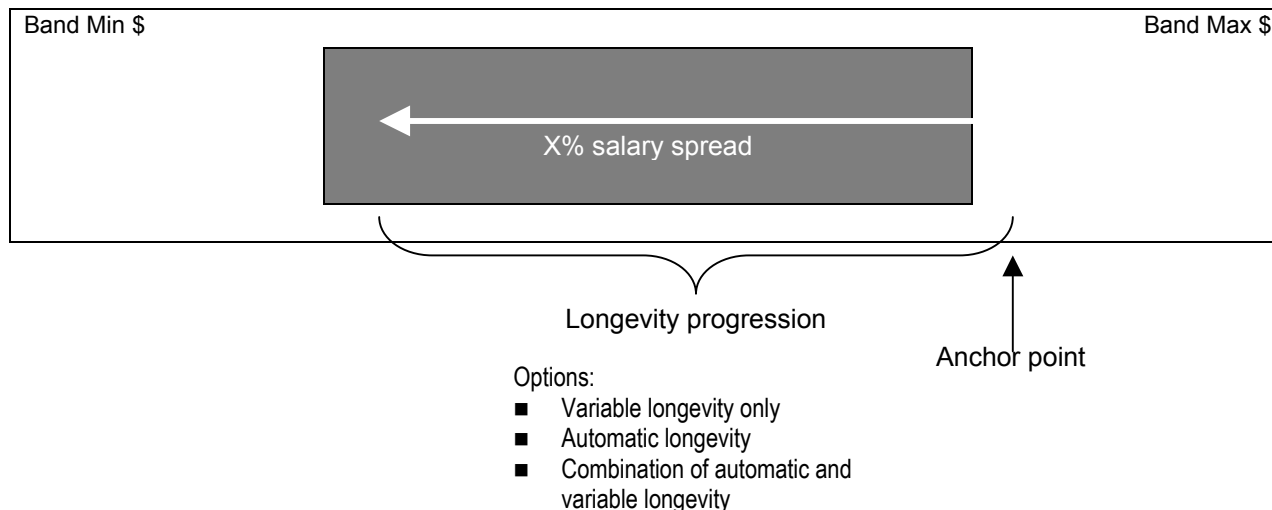
- The pay standard (weighted average salary) for the category/level and for most similar jobs
- Tenure and experience of incumbents in most similar jobs
- Internal alignment
- Extraordinary position specific circumstances such as locality, special skill needs, recruitment/retention issues, etc.
- Room above the maximum of the spread for appropriate further growth

The top of this spread would be the anchor point or maximum for any longevity-based increases.

As illustrated below, within this X% spread, a number of flexible options can be built around all other defining aspects of longevity-based progression, such as:

- The number of longevity-based salary steps (beyond the two required by law).
- The percentage amount of the steps, and whether the percentage amount be set or variable.
- The timing of the steps, and whether the timing be set or variable.

Illustration of “Spread within Band” for Longevity-based Progression



⁸ Employees in the general government classified service.

Four examples of the possibilities for varying longevity-based progression steps following appointment into a job are presented below. Each represents a measurable difference in design approach and can be modified by changing the percentage amount, timing between increases, eligibility, etc.

Example 1: [least flexible approach]

X number of longevity progression steps of set amount and set timing

For instance: 1st step of 5% provided at 6 months; 2nd step of 5% provided at 18 months; 3rd step of 5% provided at 30 months; and so on.

Example 2:

X number of longevity progression steps of variable amount and set timing

For instance: 1st step of 3-6% provided at 6 months; 2nd step of 3-6% provided at 18 months; 3rd step of 3-6% provided at 30 months; and so on.

Example 3:

X number of longevity progression steps of set amount and variable timing

For instance: 1st step of 5% provided at 6-12 months; 2nd step of 5% provided at 13-24 months; 3rd step of 5% provided at 25-36 months; and so on.

Example 4: [most flexible approach]

X number of longevity progression steps of variable amount and variable timing over the first 36 months

For instance: 1st step of 2% provided at 3 months; 2nd step of 4% provided at 9 months; 3rd step of 6% provided at 24 months; and so on.

By modifying the variables in the examples above, an infinite number of options are available to decision makers. In each case where flexibility is indicated, this would be decentralized to the agency/institution. The issue of linking the initial longevity step increase (or even subsequent increases) to the probationary review period remains to be addressed. Options for review periods are discussed in Section 2 of this document.

2. Performance/Value Opportunity

As mentioned previously, the state's existing compensation system offers no means to factor in performance in adjusting employees' base pay. The Department of Personnel is advancing the option of "performance/value opportunity" as a viable approach to financially recognize ongoing employee growth and contribution to the organization.

Performance/value increases could be applied only after an employee has received all available longevity-based progression steps.⁹ Performance/value increases would not be automatic and the total amount would be anchored.

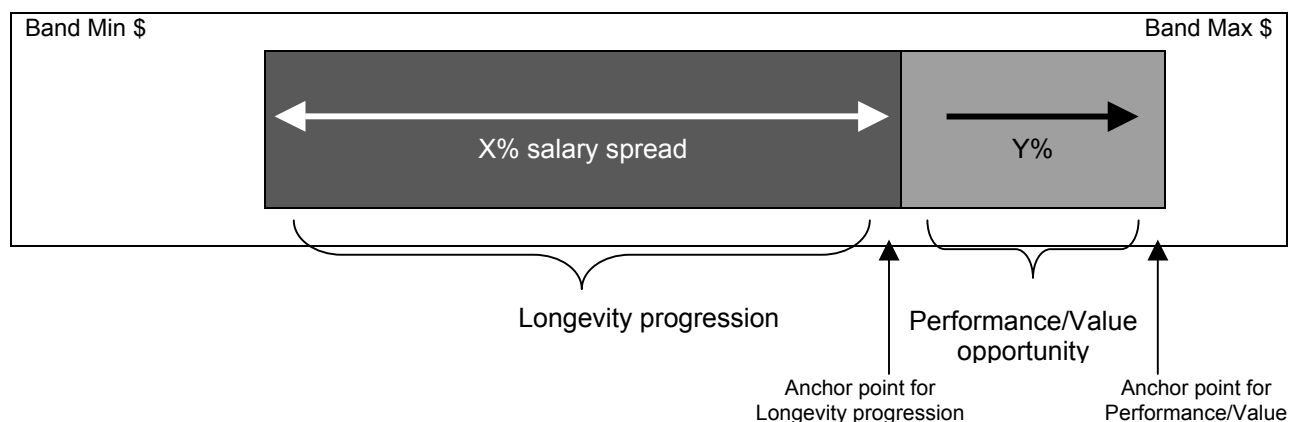
The employer would be able to grant performance/value increases on the following bases:

- *Sustained* high performance set forth and documented in the employee's performance plan and appraisal
- Development and successful *ongoing* demonstration of special skills and knowledge that significantly enhance the employee's value and contribution to the organization.

The terms *sustained* and *ongoing* are emphasized here because performance/value increases become a continued part of the employee's base pay.¹⁰ This is distinguished from lump sum recognition pay, which is appropriate for isolated special achievements (discussed later in this section).

The following is a sample illustration of how the performance/value opportunity would coincide with the longevity progression described earlier.

Illustration of Performance/Value Opportunity with Longevity Progression



The total amount of performance/value increases over the life of the job would be limited to a set percentage (the anchor point) by rule. Incremental increases within this limit could be determined by the agency/institution, as well as timing (i.e., how much of an increase within a unit of time). Managers would need to be held accountable for operating within budget limitations and ensuring fairness and objectivity.

⁹ Discussion is presently underway as to whether or not performance/value increases should be allowed before all longevity increases have been received.

¹⁰ Discussion is underway as to the permanency of the performance/value increase to base salary. For example, should it be continued if high levels of performance subside.

DOP would provide specific criteria, guidelines, and tools to assist with performance planning and documentation. Prior to implementation, managers would need appropriate training in performance management and use of this compensation approach.

Appropriate flexibility would be built in to meet business needs, motivate achievement of continued growth/development, reward contribution/value, and incorporate a performance-based culture into state government.

3. Promotions

A promotion is currently defined as movement to a new position or increased responsibilities in an employee's current job that results in assignment to a different pay range that has a higher salary maximum. Under the proposed occupational category classification structure, a promotion would mean moving to a new salary band and/or moving to a higher occupational category.

Presently, the personnel rules dictate the parameters of the percentage salary increase an employee will receive upon promotion. DOP is recommending that in the future, a decentralized approach should be adopted. Employers would develop their own specific methodology to determine the percentage increase received upon promotion, based on factors such as:

- Extent and nature of the job change or increase in job responsibilities
- Special talents brought to the new job
- Salary of others with similar responsibilities
- Minimum, mid-point, and maximum salary of the new band and pay spread within the band
- Labor market
- Available funds
- Any contract provisions that establish specific rates or other criteria

This approach allows employers to establish and reward the value associated with a promotion. It also encourages a performance culture by providing more incentive to take on greater duties/responsibilities. In addition, it sets aside the inflexibility presently associated with promotions. DOP would provide guidelines and maintain an oversight role.

4. General Increases

General increases are represented by a specific percentage of base pay (e.g., 4%) or a set dollar amount (e.g., \$250 per month) awarded to *all* employees. General increases are typically based on a combination of cost of living, labor market growth, and overall

pay package competitiveness as determined by the state's biennial total compensation survey.

Up until now, the state Legislature has determined both the amount and timing of general increases. With the implementation of civil service reform and collective bargaining, general increases for employees in bargaining units will become subject to negotiations between the Governor's Office and labor organizations. These bargaining agreements will be subject to financial approval by the Legislature.

General increases for employees not in bargaining units will be a decision reached by the Governor's Office subject to budget approval by the Legislature. It will be very important to give increases for these employees the same active consideration as those subject to bargaining.

The general increase approach to changing base pay is important for state compensation to keep up with the general labor market or at least minimize the lag. Such across-the-board increases have a wide-ranging impact and can aid staff retention.

On the other hand, general increases are very costly and unfocused, since they are granted to jobs paid above the market as well as those below. Furthermore, a general increase does not differentiate and recognize employee value and contribution since it is granted to all employees regardless of performance.

Some organizations use a comprehensive performance-based approach to adjusting base pay as an alternative to the general, across-the-board increases. In this approach, legislatively authorized salary increases would be based solely on the quality/quantity of employee performance. A combination approach is also used in some organizations where a portion of the authorized funds must be tied to performance.

The research reviewed by the team showed mixed success with the comprehensive approach in the public sector. Most were in jurisdictions that had no formal labor representation or where the civil service system had been eliminated all together. This is not the environment of the state of Washington.

The Department of Personnel has determined that a comprehensive or combination performance-based pay plan as described above is not a viable option at this time. This view is based on the significant resources (time, energy, and dollars) required, the tremendous cultural shift inherent in this approach, and the extraordinary demands placed on performance management. The challenges the state of New Mexico is facing with their pay for performance system due to no funding also dissuades from this option.

5. Partial Salary Survey Implementation

This has been an approach occasionally employed to partially "catch up" those jobs determined to be farthest behind the prevailing rate. For example, all employees in job

classes determined by the state's biennial salary survey to be greater than 20% behind prevailing rate may be brought up to the 20% behind threshold. This approach results in some employees receiving an adjustment to base pay.

Up until now, the Legislature has determined both the amount and timing of base pay increases to be granted through partial implementation of the salary survey. In the past, partial implementation of the salary survey has sometimes accompanied or substituted for general increases. This approach to adjusting base pay will remain available but will likely become subject to negotiations between the Governor's Office and labor organizations for employees in collective bargaining units and must be approved by the Legislature.

Partial salary survey implementation increases for employees not in bargaining units will be a decision reached by the Governor's Office, subject to budget approval by the Legislature.

This remains an important compensation tool that is necessary for state compensation to catch up with the general labor market. It focuses on jobs most behind the market and is less costly than a general increase. On the other hand, it is granted to all employees in a job class, regardless of differences in performance.

6. 6767 Increases

RCW 41.06.152, originally modified by SSB 6767, outlines a process for special compensation needs to be prioritized by the Washington Personnel Resources Board and brought to the Legislature for funding consideration as part of the biennial budget process. While primarily designed to address serious recruitment and retention problems and inequities, this tool may also address increased duties and responsibilities. Increases granted through this process over the previous three biennia have addressed a number of serious compensation deficiencies.

Because the resources for this compensation tool come out of the same funding source as other salary increases, funding for this tool may be limited. Increases granted through the 6767 process go to all employees in the identified job class, regardless of performance differences. Another significant disadvantage is the administrative detail and time lag in implementing such increases (problem resolution often lags problem identification by a couple years).

However, this approach does allow focus on some very specific, unique business issues such as recruitment and retention problems. As such, this remains an appropriate part of the compensation tool kit, provided that the responsiveness is improved.

Pay Practices

"Pay practices" typically address business specific circumstances under which an employee's base salary may be increased on an on-going or contingent basis. Pay

issues may be dealt with quickly and cost effectively by designing salary change approaches that focus specifically on critical needs. Pay practice tools may also be modified, withdrawn, or completely eliminated when circumstances change, without affecting the entire compensation system.

Some pay practices involve legal requirements (e.g., overtime pay) and others are a function of market competition for certain types of work or work locations (e.g., shift differential, location pay).

1. Overtime and Work Period Designations

Overtime is legally required compensation for employees covered by the federal Fair Labor Standards Act (FLSA) when they work in excess of 40 hours in a work week. The present conditions and criteria for paying overtime in general government and higher education are specified in Washington Administrative Code (WAC).

Washington State government presently uses three “work period designations” to identify eligibility and qualifying circumstances by which each individual position qualifies for mandatory overtime compensation at the premium rate of 1½ times normal pay. Those designations are titled *Scheduled*, *Non-scheduled* and *Exception*. The work period designations of *Non-scheduled* (40-hour per week standard) and *Exception* (those excepted from the overtime compensation provisions) match up identically to the requirements of FLSA.

However, the work period designation of *Scheduled* (daily work schedule standard) grants overtime compensation in a manner that vastly exceeds the requirements of the federal law. The *Scheduled* designation requires overtime compensation at the premium rate for all hours worked outside of the employee’s daily work schedule (if the schedule has not been changed one week in advance). The *Scheduled* designation requires payment of overtime at the premium rate to an employee even if he/she has not worked eight hours in a workday or 40 hours in a workweek, simply because the employee was required to work outside of his/her established daily work schedule.

The *Scheduled* standard was adopted into WAC by the Personnel Resources Board many years ago to prevent supervisors, through the penalty of added pay, from changing employee work schedules with little notice and thereby disrupting the employee’s schedule certainty and personal life outside work. While this is an admirable goal, state service is largely about providing services to citizens. Many times providing this service requires adjustments to a daily schedule that cannot be predicted a week in advance.

Forty-eight percent of the state’s job classifications are assigned to the *Scheduled* work period designation. This practice costs taxpayers. It is recommended that the *Scheduled* work period designation be eliminated, except where required by law.¹¹ This will result in cost savings while maintaining coverage of employees under FLSA.

¹¹ Required by RCW 72.01.042 for institution workers in DSHS and DOC.

More importantly, it will also grant welcome schedule flexibility to both employers and employees, being viewed as workplace friendly by many. It sets aside much schedule change paperwork and allows employees to have flexible work schedules to accommodate personal needs and preferences.

Overtime pay amounts and specific provisions (such as eligibility) will likely be a focus of collective bargaining. These same issues need to be reviewed and updated for future application to employees who will not be covered by collective bargaining.

Compensatory time is paid time off at the same rate as overtime. The FLSA allows public sector employers to offer employees compensatory time in lieu of paid overtime if the parties agree. Current WAC complies with the federal regulations and no changes are proposed.

2. Exchange Time

Exchange time is a tool that may be used to offset extra hours worked by employees who are exempted from the overtime provisions of FLSA (*Exception* work period designation). This is a very flexible tool that may be customized to address specific situations. Accrued exchange time does not become a financial liability if not used. This provides system users a helpful tool to recognize extra hours worked by those who do not typically receive overtime pay. DOP recommends continuation of this tool. Since this tool does not formally exist with the higher education system presently, some work will need to be done to ensure it works as intended in the consolidated system.

3. Recruitment/Retention Pay

Recruitment/retention pay is an adjustment to base salary to attract and/or retain key staff. The state must be able to make agile, responsive pay adjustments in order to be reasonably competitive for the talent needed to deliver critical state services. Use of this compensation option would focus on supply and demand and the ability to compete in the local labor market for the specific type(s) of talent needed by system users. DOP recommends the inclusion of this recruitment/retention pay tool. It would consolidate 'recruitment/retention assignment pay' presently used in general government and 'special pay' used in the higher education system (which includes locality as a factor).

Implementation would be decentralized to agencies/institutions. DOP would develop specific criteria/guidelines and would consult on administration of this tool. The criteria would be flexible to address different business needs in a customized manner. DOP would continue to monitor and report on adjustments made through use of this tool.

4. Assignment Pay

Assignment pay is additional pay typically used to recognize special responsibilities beyond the job norm, unusual circumstances, or hazardous working conditions. Examples include operating specialized equipment, dual language fluency, applying

pesticides, working at dangerous heights, etc. Assignment pay may be added to an employee's base salary on an on-going basis (because the circumstances or conditions regularly occur) or on a situational basis (each time an occurrence arises).

This is an important pay practice that allows the employer to appropriately compensate for special responsibilities and unusual working conditions. It is a flexible tool, allowing system users to focus on addressing specific needs. DOP recommends its continuation.

The "hazardous condition pay" and "multi-lingual/sign language/braille" premium pay presently used in higher education will need to be consolidated within this tool. There will be a need to streamline qualifying criteria as well as the process for enabling the assignment pay provisions to be used.

5. Skill-Based Pay

Skill-based pay provides an incentive for employees to acquire and expertly use additional skills and knowledge in the performance of their work responsibilities. Some organizations, like Home Depot, use this as the primary tool for base pay determinations. DOP recommends that it would better fit the tool kit approach as a complementary incentive approach that encourages employees to gain and demonstrate skills/knowledge that enhance their capability, resulting in a direct value-added return to the organization.

The amount of pay awarded for the acquisition of the skill or knowledge would be based upon: (1) value of the skill to the organization; (2) difficulty in acquiring and mastering the use of the skill; and, (3) its frequency of use. Overall guidelines, such as these, would be developed by the Department of Personnel in collaboration with users to assure approaches are achievable and fair.

Note: A special provision for skill-based pay may not be needed if the concept of Performance/Value opportunity discussed previously is adopted.

6. Shift differential

Shift differential is a premium paid to staff who work an evening or night shift. This is an essential tool to compensate for shift work and compete in the marketplace for staffing of hard-to-fill shifts (particularly for health care workers, corrections staff, etc.). The continuation of this pay tool is recommended. Some work will need to be done to simplify the qualifying criteria and normalize the differences presently existing between general government and higher education. Steps could also be taken by the DOP to enhance flexibility in the application of this tool so that it may be customized to meet the unique business needs of individual users and considered for decentralization.

7. Stand-by Pay

Stand-by pay is used as a tool to require employees to be present in a specified location and be prepared to report to work immediately if the need arises. This tool is essential to enable system users to have key staff ready to provide critical services to taxpayers. It is also a requirement under the Fair Labor Standards Act.

It is recommended that stand-by pay be revised from the present varying rate to a standard rate of base pay. The qualifying criteria should be simplified and the differences presently existing between general government and higher education should be normalized. Steps could also be taken by DOP to enhance flexibility in the application of this tool so that it may be customized to meet the unique business needs of individual users and considered for decentralization.

8. Call Back Pay

Call back pay is a premium paid to employees for being required to return to work after departing the work site or for being required to change the start of their next scheduled work shift without notice. This incentive helps users meet unpredicted staffing needs.

Continuation of this pay tool is recommended. Some work will need to be done to simplify qualifying criteria and normalize the differences presently existing between general government and higher education. Steps could also be taken by the DOP to enhance flexibility in the application of this tool so that it may be customized to meet the unique business needs of individual system users and considered for decentralization.

9. Equity Alignment Pay

Equity alignment pay constitutes an ability to adjust base salary to address errors in determination of an employee's starting base salary, or establish a more appropriate salary alignment with a peer or subordinate.

Presently, only limited ability to correct such problems exists within the rules. So, despite identification of a clear inequity, employees are often told, "little can be done." Progressive employers need effective tools to responsively correct problems. It is recommended that this tool be added to the state's compensation tool kit. General statewide guidelines would be developed by DOP with policy/procedure administration decentralized to users.

10. Severance Pay

Severance pay is a lump sum amount provided to employees upon layoff. Typically the amount is one to six months of normal pay depending upon the severed employee's length of service. The purposes of severance pay are to cushion the blow of layoff and to provide a reasonable cache of funds to keep laid off employees economically afloat

and off of welfare while they seek other employment and/or re-train for other occupations.

Beyond this, severance pay communicates loudly that the employer cares about the individuals being laid off. This speaks volumes to the employees who remain working and it is incredibly important for them to know (through tangible, outward actions) that their employer cares about them and will take care of them to some reasonable degree if a business crisis occurs. The culture of caring created through use of severance pay is a powerful recruitment and retention tool. It is recommended that severance pay be added to the state's compensation tool kit.

11. Recognition Pay (lump sum)

As defined here, recognition pay differs from the performance/value increases described earlier in that it is offered to the employee as a single lump sum, rather than an ongoing adjustment to the employee's base salary. In DOP's customer survey, both managers and employees indicated that this was an important feature to include in the state's compensation system.

Recognition pay is intended to motivate performance excellence by rewarding special achievements and accomplishment of special goals, projects, or assignments that enhance the organization's ability to fulfill its mission and strategic plans. It might also be used to reward successful candidate referral and for hiring incentives. It can be tailored around recognizing individual or team accomplishments and specific business needs.

Such lump sum awards are not entitlements and must be re-earned. Because they do not add to base salary, they do not create future costs. Organizations would have to carefully budget in order to have funds available to use this provision. It is possible, however, that where employee or team accomplishments result in a cost-savings to the organization, a portion of that savings could be used as the recognition pay lump sum.

The Department of Personnel recommends recognition pay as an important addition to the state's compensation tool kit. It adds critically important intrinsic value in shifting to a performance culture.

At the same time, it is clearly recognized that there is a strong need for guidance and training to assure consistent and fair treatment among state employees. DOP would develop broad policy guidance and models for implementation, and would provide the necessary training to achieve the desired results.

Classification & Compensation – Other Considerations

As discussed in this section, after careful review of the concepts offered by the Classification and Compensation Concept Design Team, the Department of Personnel

has selected options that appear to be viable for a new state job classification structure and a comprehensive compensation tool kit. These recommendations offer employers and employees many choices and also represent considerable progress in system modernization, decentralization, flexibility, and fairness.

Recognizing the cultural shift in state government that will be occurring concurrently with the classification and compensation system changes, the Classification and Compensation Concept Design Team strongly urged future development of system support mechanisms. Examples of such support mechanisms would include:

- Orientation and training for managers and employees on the use of the new classification and compensation system
- Extensive training for managers in the area of performance management
- Extensive training for human resource staff on the intricacies of the new system and appropriate HR consultation skills
- Development of clear guidelines and checklists for user reference
- Pilot projects, as appropriate
- Incremental transition approaches
- Methods to certify competency in some tools prior to use
- Focused salary surveying
- Development of data collection and reporting systems in order to monitor and track practices
- Streamlined rules

Significant consultation and support will need to be made available to all users during the first few years of implementation and transition to the new systems and on an ongoing basis for users not having full time human resource staff.

Classification and Compensation Options

APPENDICES

Appendix 1

Classification & Compensation Concept Design Team; DOP Support/Review Teams

Classification & Compensation Concept Design Team

John Robertson – Team Leader	Department of Personnel
John Boesenberg	State Board for Community/Tech Colleges
Sally Farrar	Washington Federation of State Employees
Dave Fiorini	Department of Social & Health Services
Pat Gebhardt	Department of Natural Resources
Shelley Middlebrooks	University of Washington
Dan Myers	Office of Financial Management
Cary Randow	Department of Personnel
Connie Riker	Office of Attorney General
Pam Skinner	Office of Attorney General
Susan Sparks	Department of Personnel
Sandi Stewart	Department of Personnel
Janetta Taylor	Department of Revenue
Teri Thompson	Department of Personnel
George Weirich	Washington Public Employees Association
Phil Wilson	Department of Social & Health Services

DOP Staff Support Team

Bob Hahn	Patty Orchard
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Dave Cahill	Holly Platz
Chana Clark	Yvonne Poe
Darlene Garlick	Lynda Premo
Joe Gross	Mary Rodriguez
Kari Lade	Dorian Sanchez
Marisa McKay	Rick Shea
Robert Murff	Lisa Skriletz
Melia Olsen	Tammy Tee

Classification System Review Team

An internal DOP workgroup was formed in late November 2002 to develop recommendations for the Classification and Compensation Concept Design Team regarding a proposed new classification model. DOP staff who worked on this project included Kris Brophy, Dave Cahill, Patty McGuire, Melia Olsen, Patty Orchard, Wendy Philbrook, Holly Platz, Lisa Skriletz, and Tammy Tee.

The workgroup was asked to compare the state's current general government and higher education classification systems with a proposed new classification model using occupational categories. The workgroup was also asked to review the current classification system to see what does and does not work, to determine a conceptual framework using the proposed classification model, and to develop practical examples. Using the new framework, the workgroup was further asked to outline what rule and/or guideline changes would be necessary to implement this new classification system.

Appendix 2

Draft Criteria for Occupational Categories

Occupational categories should be as broad as possible within these criteria:

- Commonality of work. (Simplifies the position allocation process and eases ability to identify where one fits within the classification system.)
- Categories should not be so broad as to cause lengthy descriptions to have to be written. (Goal is to have clear, concise descriptions/definitions to facilitate allocation. Employees will be able to easily recognize their jobs in a category.)
- Jobs with the same legal requirements should be in the same category. (To avoid categories with different absolute requirements.)
- Categories should not be so broad as to have conflicting benchmarks. Multiple benchmarks must be compatible. (In order for the salary survey process to be valid.)
- For common work that has multiple sub-professional and professional jobs, these would be placed in separate categories if putting all in one category causes too large a salary range. (In order to reasonably control salary band width.)

Appendix 3

Draft Definitions for Levels of Work for Each Occupational Category

Level 1 – Entry

Incumbents work under close to general supervision and within narrowly established guidelines. Work tasks are often repetitive and routine and decision making is limited within those standards. Work directions are provided and outcomes are reviewed by higher levels. Work parameters are clearly set. Employees have limited latitude to resolve problems outside written guidelines. This level may assist or be trained for a higher level. The impact of error is small.

Level 2 – Journey

This is the working or fully qualified level. Incumbents work independently and are competent to resolve issues within their area of responsibility. Staff have a working knowledge of program needs, prioritize their work and have latitude to resolve work problems. Work is reviewed on a spot check basis after decisions have been made. Activities and methods are generally defined and known. Unusual problems that may occur are brought to higher levels with probable outcomes and solutions. The impact of error is moderate.

Level 3 – Senior

This is often described in a variety of ways including Specialist, Expert, Lead, Trainer, the most complex or in-depth worker. Incumbents receive limited supervision, set their own priorities, make decisions independently and can commit to a course of action. Incumbents deal with, resolve or oversee the most sensitive, complex, or critical issues. Incumbents may be a designated specialist/expert to function as a consultant to management levels. Incumbents are expected to develop and innovate, and are responsible for the flow and completion of work. Incumbents may lead or train peers and are directly responsible for the quality of their work. Incumbents are given the scope and intent of assignments but are expected to determine the methods and procedures to complete the work task. The impact of error is significant.

Level 4 – Supervisory

Incumbents have delegated authority to perform functions such as, but not limited to, selection, training and development of staff; assigning and evaluating work; and taking corrective action.



SECTION 2

Recruitment and Selection

Page

37	Background
41	Barriers and Opportunities
42	Basic Framework
44	Recruitment and Selection Options and Recommendations
	Job Analysis
	Candidate Sourcing and Recruitment
	Candidate Qualification Requirements
	Application Process and Form
	Initial Assessment
	Applicant Pool
	Position-Based Candidate Assessment
	Certification
	Interviews and Post-certification Assessment
	Reference, Background, and Other Checks
	Hire and Appointment; Separation and Reversion
	Non-permanent Appointments
	Seasonal Employment
	Cyclic Employment
	Project and Special Employment Programs
	Pre-employment Testing
	Orientation
	Development Programs
	Recruitment and Selection Management Practices
64	Other Considerations
66	Appendices

Recruitment and Selection Options

Background

The Department of Personnel convened a Recruitment and Selection Concept Design Team to design recruitment and selection concepts and options for consideration for the state's new human resource system. The team membership, listed in Appendix 1, represented a wide variety of interests and organizations including higher education institutions, state agencies, and labor. The team worked from early November 2002 to March 2003.

The team reviewed needs, strategies, and potential rule concepts and options for the process of recruitment, assessment, selection, and hiring. In conducting this review, the team analyzed trends and developments, best practice research, needs of managers and employees, DOP customer survey data, the experience of other states that have implemented civil service reform, and current day needs of the state as an employer.

Using the overall guidance of the general HR 2005 design criteria listed on page 2 of this report, the team developed possible approaches and options for most aspects of the state's employee recruitment and selection policy and function, and recommended:

- An overall framework for recruitment and selection in state government
- Long and short term strategies and tools
- New rule concepts in light of the civil service reform legislation, including alternatives to the statutory elimination of the "rule of 7"
- Alternatives for appointment, probationary, and trial service rules and processes needed to support classification and compensation changes and other system changes that would improve human resource management practices

The team provided their recommendations to the Director of Personnel. After careful review and analysis, the DOP senior management team determined which of the recruitment and selection options (or modifications thereof) were viable and should be presented for feedback to a broader audience. These are outlined in the remainder of this section.

Trends and Developments

The first step in building an exceptional workforce is finding and selecting talented, motivated people. Recruitment and selection establishes the foundation for staffing state government organizations and is a key part of any human resource program. The recruitment and selection process for the state must reflect good business practices directed at achieving high quality service at the lowest cost.

Competition for scarce human resource capital continues to be fierce. While a declining economy is having some impact on the availability of applicants in some geographic and professional areas, there are others in which the qualifications and capacities of available talent may not fit well. The number of professional level positions in the state's workforce is increasing. The growth of jobs requiring advanced levels of knowledge is outpacing the growth of candidates with commensurate qualifications. While as of December 2002, the national unemployment rate was at 6%, the unemployment rate of college graduates was less than half that at 2.9%.¹²

The workforce is aging as baby boomers reach maturity. With more than 50% of state employees at age 45 or older, the state is experiencing higher turnover due to retirement. According to the Washington State Department of Personnel Workforce Planning Guide by the year 2005, up to 27% of PERS 1 employees will be retirement-eligible. Folding in PERS 2, up to 38% of employees will be eligible. This will result in a significant loss in workforce skill and knowledge, with certain occupational areas hit harder than others. Recruitment and selection practices need to be prepared to address the loss of talent and historical knowledge resulting from significant retirement activity.

Employers are increasingly applying electronic technology to find and place employees. To remain competitive, the state must continue to expand its use of this technology.

State wages continue to lag behind the private sector. Traditional attractions to public service, such as job stability and generous benefits, no longer exist in an era of downsizing and rapid change. The state recruitment process needs to incorporate and market other positive elements of public service in order to attract and retain qualified employees.

Today's work environment is fast paced. The electronic information age continues to generate change at a dazzling rate. Whereas in 1900 the total amount of knowledge of human kind doubled every hundred years, it now doubles in less than five years. Strategic planning has moved from a several year cycle to six to twelve months. State government needs processes to continuously increase the capacity of its workforce to respond to rapid change.

Increasingly work is done by interdisciplinary teams and on a project basis. There is an increasing need for a "plug and play" workforce that uses permanent, nonpermanent, and contracted staff resources in a constant and ever-changing mix.

The employment contract is changing with new generations coming into the workforce that have different expectations about their work and their work environment. While baby boomers represent 50% of today's workforce, younger generations are quickly becoming a major segment and represent about 1/3 of today's workforce.

The composition of the available workforce is continuing to become more diverse. Women and ethnic minorities continue to grow as a component of the workforce. In

¹² "Workforce Trends", December 2002

January 2003, the composition of the Washington State general government workforce was 5% African American, 2.1% Native American, 5.8 % Asian, and 82.7% Caucasian. While the general government workforce overall increased by 6.9% between January 1999 and January 2003, the growth of people of color in the same period was 11.3%.¹³

Recruitment and selection processes must be adaptable to diverse expectations and cultures of today's workforce. Diversity is not only good public policy, it is good business practice. It ensures that we draw upon the talents of the entire workforce. Our recruitment and selection processes will need to effectively penetrate the labor market and eliminate barriers to hiring women, minorities, and people of disability.

The only thing for certain about the future is that it will be different from today. The process and rules that relate to recruitment and selection must be adaptable to changing needs and circumstances.

Customer Research

The Department of Personnel reported the following customer research findings about state manager and employee concerns and preferences regarding recruitment and selection:¹⁴

With regard to recruitment and selection, the overriding theme among managers and employees was the need to efficiently hire and promote the best qualified, best performing candidates, with fair treatment. Most managers and employees felt that persons should be able to apply for any job at any time, that the use of desirable qualifications was preferable over required qualifications, and that agencies should have the flexibility to screen and refer candidates on the basis of position-specific skill needs.

Limiting referral of job candidates to those with the top seven scores on the register – the “rule of 7” – has been a statutory requirement up until passage of the civil service reform bill. The present research found that a strong majority, approximately 84% of managers and 78% of employees, feel that the rule of 7 should be replaced with the ability to refer all qualified candidates.

Survey results also found that 73% of employees generally felt that promotional preference should be set aside to allow consideration of the best qualified. Many commented that promotional consideration is important, but it should not be absolute.

In general, those employees in favor of retaining the rule of 7 and absolute promotional preference expressed concern with fair treatment and that doing away with these restrictions would allow managers to hire “whoever they want”.

¹³ DOP- Workforce Diversity Activities – March 2003

¹⁴ DOP's complete report on civil service reform customer research is available at <http://hr.dop.wa.gov/hrreform/customer-research.doc>.

Best Practices

The 2000/2001 International Personnel Managers Association - National Association of State Personnel Executives Human Resources Benchmarking Project identified four key recruitment and selection trends in the public sector:

- Making the hiring process more timely
- Making recruitment more proactive/aggressive
- Tracking and monitoring recruitment methods
- Decentralization

Governing Magazine grades all states on a regular basis on their performance related to several management practices, including human resource management. Two elements considered in this evaluation tie directly to recruitment and selection. These elements and the criteria applied in the evaluation are:

- Conducting strategic analysis of present and future human resource needs - the extent to which a government is aware of and addresses its personnel capacity over time, particularly the sophistication with which the government conducts strategic analysis of present and future human resource needs and availability.
- Obtaining a skilled workforce - the extent to which the government is able to obtain the employees it needs. To accomplish this, a government must be able to conduct effective recruiting efforts and to hire appropriately skilled and qualified employees in a timely manner.

Recruitment and Selection – Barriers and Opportunities

Barriers:

The following existing rules and processes were identified as creating potential barriers to an effective recruitment and selection program:

- Required qualifications, as they may preclude consideration of capable candidates
- Mandatory posting requirements, resulting in time delay
- Traditional testing, resulting in time delay and having questionable validity
- Rule of seven, resulting in elimination of potential candidates for consideration
- Rule of one for RIF referrals which limits available candidates for consideration
- Ranked registers and ranking by score within registers which limits candidates for consideration
- Promotional preference, which may limit candidates for consideration

In addition, the team determined that reliance on regimented, rule-driven processes has resulted in a lack of knowledge among human resource staff and program managers related to recruitment and selection practices and techniques.

Opportunities:

The following were identified as opportunities for improving the recruitment and selection process:

- Open continuous recruitment
- Active outreach to passive job seekers
- Use of desirable qualifications
- Job-specific candidate screening criteria based on job analysis
- Expansion of position description to incorporate essential knowledge, skills, abilities; competencies; essential functions; specific position requirements; and job environment conditions
- Electronic application, candidate pool, and certification processes
- Adoption of an employee referral incentive program
- Open candidate pool versus ranked registers and referrals
- Ability to funnel a candidate pool based on position-specific criteria
- Increased role of DOP as an information and education conduit on recruitment and selection tools and practices
- Use of recruitment data for strategic planning and effectiveness assessment

Basic Framework

There is a multitude of factors that relate to job success, and positions often have unique skill requirements and working environments. Regimented screening processes like required qualifications, testing, and ranked registers, should be replaced with multiple screening tools and flexibility to tailor the hiring process to the individual situation. This reflects a major shift from a “one size fits all” to a “one size fits one” strategy.

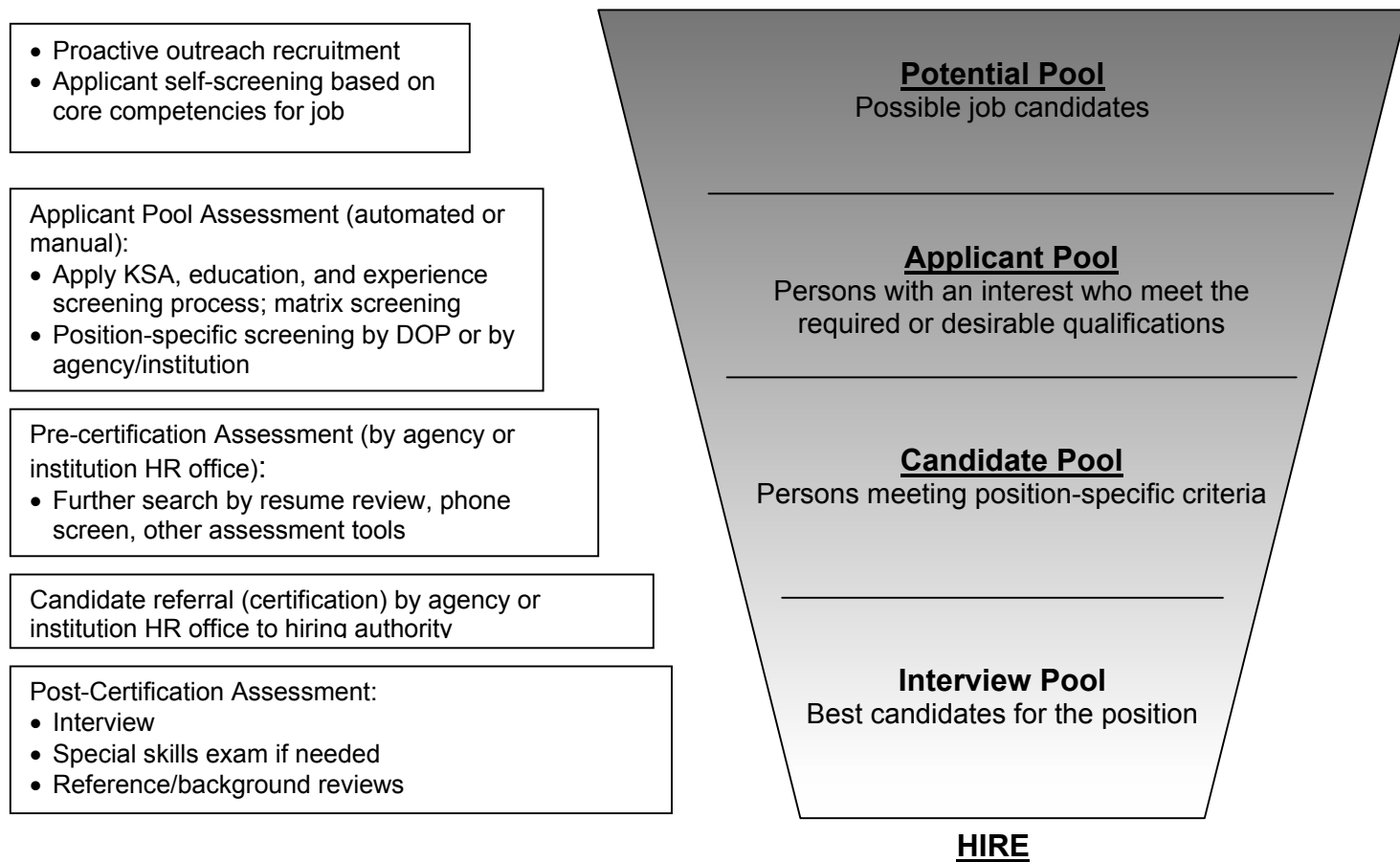
The following key changes to the recruitment and selection system were recommended by the Recruitment & Selection Concept Design Team:

- To improve timeliness, provide open, flexible recruitment in which application and recruitment can occur at any time and whenever practical, on an ongoing basis.
- To improve inclusiveness, create desirable versus required minimum qualifications (except for legal or licensure requirements).
- To improve timeliness, eliminate traditional time-consuming testing methodologies such as multiple-choice tests. Instead, screening processes would be agency-driven based on position-specific needs.
- To improve flexibility and facilitate hiring the best candidate for the position, create one open, unranked candidate pool for job classes *in most cases*. This would replace ranked registers and ranking by score on the registers. Agencies would have the option to give preference to promotional candidates.
- To improve flexibility and facilitate hiring the best candidate for the position, referral of candidates would be open and not restricted in number. The determination of which names go forward for consideration by the hiring authority would be based on job-related screening criteria applied by the individual hiring organization. Electronic technologies would facilitate this kind of individualized screening.
- To ensure job fit, provide time for coaching and training and give employees a longer period to develop and demonstrate capacity.
- To ensure hiring based on merit for the position, provide extensive resources and training for supervisors and human resource staff on the application and use of job-based screening methodologies and interviews. Accountability for fair and high quality hiring practices should be incorporated in management evaluations.

Within this framework, rules would be minimal to provide employers flexible tools to successfully meet their individual position needs. Aspects of recruitment and selection are subject to collective bargaining and, therefore, some rules would be superseded by bargaining agreements for employees who are in bargaining units.

The recruitment and selection process should be viewed as a funnel that starts out broad and inclusive and, through a series of events, narrows available candidates down to the few who are most appropriate for the position. This narrowing process should be

based on a number of job-related factors and requirements that relate to an individual position and circumstance. Since there is significant competition for skilled human resources, the funneling process must be agile and flow quickly. The graphic below illustrates this funneling concept.



Funneling through this process may start out centralized, using the Department of Personnel, and work down to the higher education institution or state agency, or it may be entirely decentralized and conducted by the institution or agency. Flexibility would exist to use the funnel in a manner that provides the greatest effectiveness and efficiency for the situation.

Appendix 2 offers two examples that help define the “pools” depicted above. Also, two examples of flow charts reflecting the process through DOP and through a decentralized process are represented by Appendices 3 and 4.

Recruitment & Selection Options and Recommendations

The options deemed viable by DOP based on the Recruitment and Selection Concept Design Team's recommendations for each key recruitment and selection function are detailed herein. These options are organized by function as follows:

1. Job Analysis
2. Candidate Sourcing and Recruitment
3. Candidate Qualification Requirements
4. Application Format
5. Initial Assessment
6. Applicant Pool
7. Position-Based Candidate Assessment
8. Candidate Referral (Certification)
9. Interviews and Post-certification Assessment
10. Reference, Background, and Other Checks
11. Hire and Appointment; Separation and Reversion
12. Non-permanent Appointments
13. Seasonal Employment
14. Cyclic Employment
15. Project and Special Employment Programs
16. Pre-employment Testing
17. Orientation
18. Development Programs
19. Recruitment and Selection Management Practices

Within each of these functional areas is a description of the issue and the recommended options.

1. Job Analysis

Job analysis in recruitment and selection is the process of assessing the job-related needs of a position. It is a good starting point for the process and can be used to identify:

- The position purpose or the reason 'why' the position exists
- Job duties and responsibilities
- Key knowledge, skills, and abilities (KSAs) or key competencies for the position
- Essential functions required by the position
- Job standards and expectations
- Job factors (environmental, location, team environment, physical requirements, etc.)

This information can be used to establish recruitment and selection criteria specific to the needs of the position, such as:

- Required or desirable requirements (education and/or experience) for screening applicants
- Professional license, registration, and/or certification requirements
- Assessment tools and interview questions for applicant funneling based on knowledge, skills, and abilities; essential functions; job standards and expectations; and environmental factors
- Selection instruments (e.g., resume screening, screening questions, job simulations)
- Orientation needs for new hires

The job analysis paves the way for making hiring decisions using fair and objective job based criteria.

Recommendation:

It is recommended that a new position description format be developed that incorporates key competencies, essential functions, and job environment information. If possible, the form should be automated and stored electronically to allow easy access by employees, their supervisors, and human resource staff, and updated as appropriate by the supervisor and/or employee. The description should be updated with major changes in duties to keep the description up to date.

There should be a rule that each position be described on a position description form developed by DOP.

To avoid confusion as to where the authority to assign duties lies, it is recommended that the instructions be clear that this authority rests with management; however, the description should be completed jointly by the employee and manager.

2. Candidate Sourcing and Recruitment

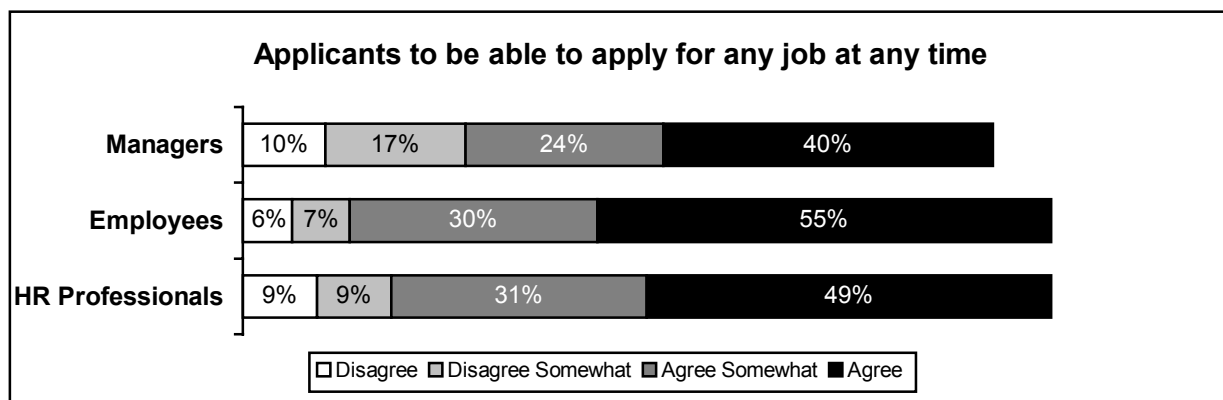
Candidate sourcing is the process of identifying prospective candidates. This could come from an Internet search, newspaper ad, job board, employees, contacting known high performers in the field of endeavor, etc. It is an active process. Recruitment is the process of soliciting candidates to apply for positions.

The state has a need to attract qualified, motivated, diverse candidates for positions. This is best served by using a broad array of flexible options to meet needs. There should be multiple options for candidate sourcing (employment bulletins, advertising, college recruitment, job fairs, targeted outreach, executive search, etc.). Depending on the circumstance, recruitment may be done on a centralized or decentralized basis, may

target active seekers and/or passive job candidates, and may use differing processes to make contact with prospective candidates.

The use of the Internet and electronic technologies has become a prevalent practice. Washington's recognition as the "Digital State" reflects the leadership that is already being realized in this area. Continued growth and development of processes such as Inet App are a must. Inet App is the Internet application process administered by DOP, which is used in general government (state agencies) that allows candidates to apply and be assessed online. Inet App allows applicants to apply, undergo initial assessment, and be ready for consideration of appointment in a matter of hours.

As reflected through the DOP customer survey, there is a strong desire among employees, echoed by managers and HR professionals, that applicants should be able to apply for jobs at any time. This practice would allow current state employees and other applicants to enter competition for positions as their experience, education, knowledge, skills, and abilities develop. Constantly updating available candidates for consideration benefits the employing organization as they have access to "fresh" or "real time" applicant pools. Whenever practical, maintaining open, ongoing recruitment is recommended. The chart below reflects responses to this issue.



Information should be made available to candidates on recruitment announcements and through on-line processes such as Inet App that provide information such as the number of positions in a class, location of positions, number of applicants in the applicant pool, and number of anticipated openings. This data will help give applicants a picture of likely activity related to hiring.

Further information should be made available in recruitment materials, such as the inclusion of KSA's or competencies, job environment information, and key job expectations to help potential applicants screen themselves against the job requirements and environment.

A best practice that is not actively used by the state now is the use of an employee referral incentive program to generate referrals of potential candidates from current employees. This kind of program has proven to be cost-effective for other private and

public employers. Since current employees often have profound knowledge about both the candidates they refer and the position to be filled, such referrals also have proven successful in placing well-qualified candidates. For instance, at 18,000-employee TRW Systems and Information Group, the employee referral program is the single largest recruiting tool, accounting for 35% to 40% of all new hires¹⁵. Such a program should be considered in the future.

Recommendations:

DOP should serve as a resource center for centralized technology, expert assistance and consultation, and linkage with available resources. Individual state organizations should have flexibility on when and how to tap into DOP resources.

Wherever practical, allow persons to apply for any job at any time.

3. Candidate Qualification Requirements

Qualifications are a funneling tool for screening candidates. Qualifications may be established for positions as required or as desirable.

Currently, for most classifications in Washington's general classified service, required minimum qualifications are used. These qualifications establish fixed requirements on a generic basis for a classification that all candidates must meet to be eligible for consideration.

An illustration of the difference between minimum qualifications is reflected in the classification movement in general government from Personnel Officer to Human Resource Consultant. The class series moved from minimum qualifications to desirable qualifications.

For instance, the Personnel Officer 3's minimum qualifications were:

A Bachelor's degree involving major study in business or public administration, social sciences, or allied field; and three years of professional experience in personnel administration or technical personnel work. Additional qualifying experience may be substituted, year for year, for education.

All candidates to be considered would have needed to meet these qualifications. An individual with a Bachelor's degree in philosophy, six years of progressively responsible professional human resource experience, currently a human resource manager supervising four staff for a small company, professional certification, and having two articles published in a professional HR journal, would not qualify for consideration. An individual with a 9th grade education and seven years as a paraprofessional personnel technician doing the same job would qualify for consideration. Both potentials might be good candidates, but the minimum qualifications would preclude consideration of the first.

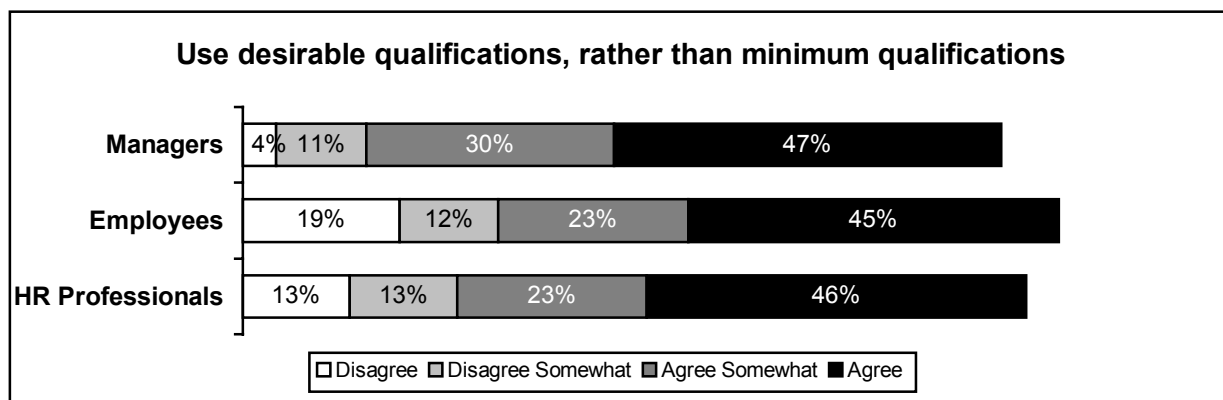
¹⁵ Winning Strategies for Recruiting and Retaining Quality Employees, HR Bookmark

Desirable qualifications are characteristics that are usually beneficial to performance in a classification, but are not an absolute requirement for consideration. For instance, in general government, the desirable qualifications for the classification of Human Resource Consultant 3 are:

Demonstration of core competencies. A Bachelor's degree with focus on business, human resources, social or organizational behavioral sciences, or related field and two years of professional human resource experience including assessing and facilitating solutions for human resource problems and issues OR comparable education and/or experience. Specific technical knowledge or experience may be required based on position assignments.

Most successful candidates will likely have these qualifications, but they are not absolute. Candidates with other job relevant experience and talents could be considered. Also there may be specific positions that call for different and unique qualifications. Both of the potential candidates outlined earlier could be considered.

It is in the state's interest to maximize the number of viable candidates for positions. Required qualifications can represent an artificial barrier to the employment of a diverse workforce. Desirable qualifications can be adapted to meet position specific needs and identify more highly qualified candidates. This direction was supported by a majority of employees, managers, and HR professionals in DOP's customer survey, as shown in the following chart:



Recommendation:

Eliminate classification-based required qualifications except when such qualifications are required by law (i.e., license, certification, registration) or they serve a particular business need.

A rule does not appear necessary. The determination of qualifications used in applicant screening would be left with the hiring organization based on job specific needs.

4. Application Process and Form

The process used for application for positions should make it easy for applicants to apply. The form should also provide adequate information for screening and funneling of applicants.

Inet App currently includes recruits for over 110 classes and is being expanded. Inet App establishes an applicant profile that can be reused by the applicant in subsequent applications. This easy to use and convenient process results in candidates going from application, to scoring, to being placed on a register in a very short period of time. Applicant information is readily available and accessible to employer human resource staff and hiring authorities.

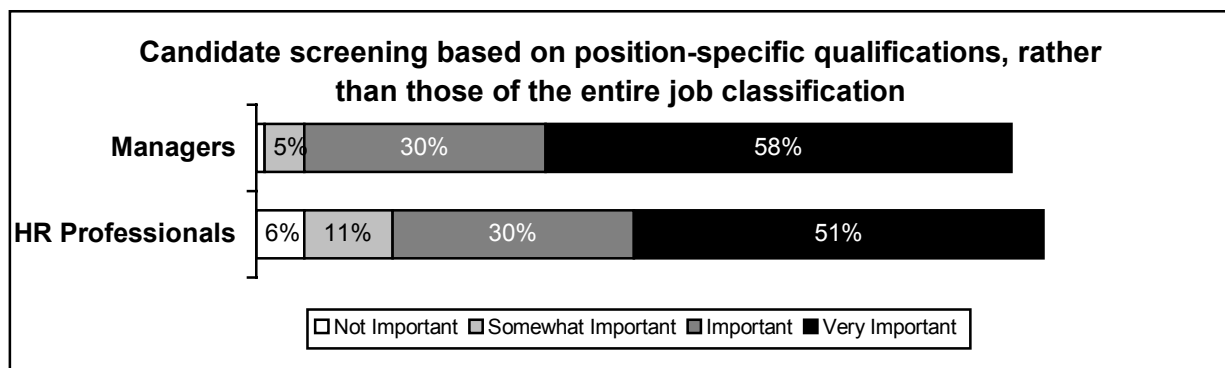
Recommendation:

Continue expansion of the Inet Application process for high volume recruitment, and extend to higher education institutions the option of using Inet App for recruiting. A rule does not appear necessary.

5. Initial Assessment

Initial assessment is the start of the funneling process of candidates and occurs prior to their inclusion in the applicant pool. Initial assessment may include such processes as verification of required qualifications, testing, education and training assessment, and candidate responses to skills and experience checklists. Current practice for general government is to use generic classification-based testing to rank candidates. Higher education currently uses a supplemental examination process to evaluate education, training, and experience to rank applicants.

Managers and HR professionals both strongly favor moving toward screening processes that are position-specific versus classification based. DOP customer survey results on this are reflected below.



Position-specific screening criteria particularly makes sense if the state moves to a broader, streamlined classification system.

Some have expressed concern about the volume of applicants who might be in the applicant pool for high volume classes and the potential challenge of narrowing these individuals down to a reasonable number for referral to the hiring authority. Tools exist to do this. As an alternative to meet this situation, testing could continue as a process to provide a ranking of applicants for positions in high volume classifications.

Recommendation:

In general, it is recommended that any initial candidate assessment should be simple and expeditious, so as to eliminate clearly unqualified candidates and to move qualified candidates forward into the applicant pool. To the degree possible, position-specific qualifications should be screened for, rather than those of an entire class. Further job-specific tools can be applied in the funneling process in subsequent steps of the recruitment and selection process. Because of inherent limitations and time consumption, it is recommended that testing be eliminated or, if conducted, done in a fast, straightforward process that divides candidates into broad-based bands (e.g., well qualified, qualified). A rule does not appear necessary.

6. Applicant Pool

An applicant pool is a grouping of qualified individuals available for consideration in the candidate pool and eventual appointment.

The current practice for state agencies includes the use of 12 tiered and ranked registers; higher education uses 10. Most of these tiered registers are ranked by test score (e.g., promotional, open competitive), or seniority (e.g., RIF, reversion), with a few that are unranked (e.g., transfer, re-employment). Candidates are usually referred from the highest tiered register on the basis of ranking following the traditional “rule of 7”.

To maximize opportunity for candidate consideration and evaluation of candidates against individual position criteria, the Recruitment and Selection Concept Design Team recommended that one unranked listing or broadly banded listing of candidates represent the applicant pool. To ensure the names in the pool are fresh, there should be a regular process to reaffirm applicant interest and availability and to purge the pool as appropriate.

Promotional preference and the number of names certified are mandatory subjects of collective bargaining. While DOP customer survey results appear to reflect that most employees do not favor promotional preference, several on the team felt this may reflect confusion with other preferential processes. There should, therefore, be a process to identify promotional candidates in the pool and for reflecting the ranking of applicants in the pool.

An interesting approach to promotional preference used in some jurisdictions is to tie such preference to specified performance criteria. For instance, it could be provided to employees with superior performance as documented in performance evaluations and not to others.

Recommendations:

A rule should define an applicant pool. There should be a rule allowing purging of the applicant pool based on candidate interest and availability. There also should be a process for removing applicants from the list for reasonable job-related reasons.

Generally, the applicant pool should be one unranked list. However, a mechanism should be in place to identify promotional candidates and give agencies/institutions the flexibility to determine whether and how to provide for promotional preference. Reduction-in-force re-hire lists would be treated differently as discussed later in Section 4 of this document.

7. Position-Based Candidate Assessment

Position-based candidate assessment represents the process of identifying qualified applicants for a specific position. Those identified represent a candidate pool.

Since the hiring agency would have the most profound knowledge about the job it is filling, including environmental factors and special needs, the determination of how funneling of the list of candidates is done should be at the discretion of the hiring agency. Both managers and human resource staff should have knowledge and access to a wide variety of assessment tools. DOP can be instrumental in making information and consultation about these resources readily available.

This may include the use of matrix codes (pre-defined education, experience, or other qualification criteria) or other screening methodology to identify candidates with particular experience, education or skill sets, resume sort, supplemental questionnaire to candidates, telephone screening, promotional preference, etc.

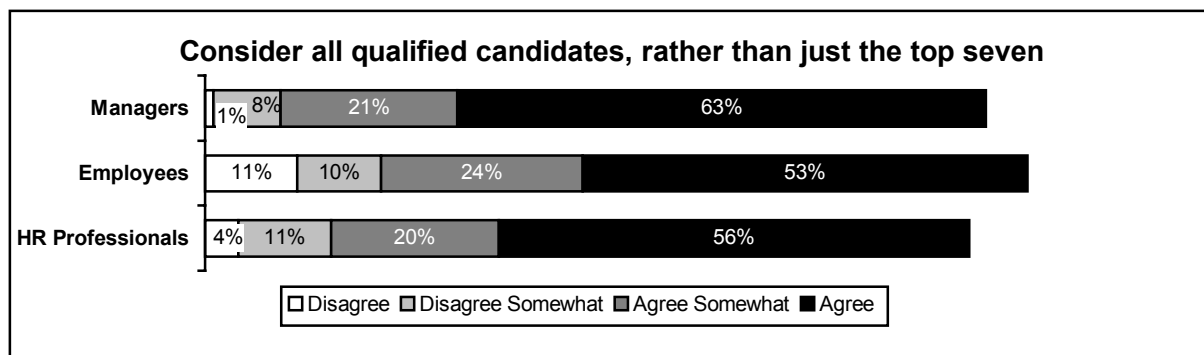
Recommendation:

Funneling of candidates from the applicant pool to the candidate pool should be done at the agency/institution level using job-specific screening criteria and methods. Any rule should allow for options in the process at the discretion of the hiring organization.

8. Certification (Referral)

The names provided to the hiring authority represent the certification of names to be considered for appointment and constitute the interview pool. Certifications are often commonly called referrals.

Currently, in general government and higher education, there is a rule of 7 governing certifications. However, this restriction has been removed under the new civil service law. An overwhelming majority of managers, employees, and human resource professionals who responded to DOP's customer survey favored consideration of all qualified candidates rather than just the top seven as reflected by the chart below.



In the past, certification of names has been centralized at DOP for most state agency job classes. The Recruitment and Selection Concept Design Team recommended that the certification process should occur at the level of the agency/institution human resource office. This decentralization places the activity at a level where the greatest knowledge will exist about the position, its required KSA's, and working environment. Higher education institutions and general government agencies with local list classifications have some existing experience in providing certifications at this level.

Depending on the number of names identified through position based candidate assessment, it may be appropriate to further funnel down the candidates to be actively considered in the interview pool. This would be to provide a manageable number for consideration or, if required in the case of employer policy or a collective bargaining agreement provision, to provide a specific number of candidates for certification or to provide promotional preference in the certification.

Promotional Preference

There are clearly different viewpoints on the subject of promotional preference. Most of the team felt that promotional preference unduly limits the candidate pool and impedes the ability to hire the best-qualified candidate, which would be a disservice to the taxpayers and government effectiveness. On the other hand, some felt that the absence of promotional preference would stifle the developmental opportunities of current employees and undermine the ability to maintain a stable workforce that is responsive to the public.

Veterans Preference and Affirmative Action

Veterans preference and affirmative action considerations also may be necessary to factor into the certification process. Veterans preference is required by law.

Reduction-In-Force (Layoff)

The status of employees who have been subject to reduction-in-force (RIF) or layoff in the certification process merits special consideration. Current general government and higher education provisions establish a RIF register (re-hire list) that is referred

before others with a rule of one based on seniority. In general, it is in the best interest of employees subject to layoff and the state to have an ongoing, active and flexible process to help facilitate the employee's return to state service or previous position level without forcing the employee or the hiring agency into a poor fit that dooms the employee to failure. RIF re-hire options are discussed further in Section 4 of this document.

Recommendation:

Certification (referral) should be defined by rule and should occur at the agency/institution level. Employers should have the option of a referral reflecting promotional candidates and/or providing a limited number of candidates to meet hiring needs.

9. Interviews and Post-Certification Assessment

Candidate interviews are a key part of the funneling process of post-certification assessment. Interviews as a selection procedure are designed to predict future job performance on the basis of an applicant's oral responses to inquiries. Some sort of an interview process occurs with virtually all hires. Interviews can be integrated with complimentary screening processes such as pre-exposed questions and performance exercises.

To be used effectively and appropriately, interviews must be job-related, not include unfair or illegal employment inquiries, and be structured to maximize value and validity.

Unfortunately, interviews are frequently conducted by hiring authorities who do not have expertise in human resource practices or law. The interests of the state and employees will best be served by developing the capacity of hiring managers to conduct effective non-discriminatory interviews through training, informational resources, and just-in-time consultation. In particular, training on the interview process should be provided to hiring managers either through the employer's HR office, DOP, or other subject matter expert.

Information resources and guides to interviews, developing interview questions, the use of panel interviews, and other relevant information should be made readily available through the Internet and Intranet. Consultation for hiring managers should be available through their human resource consultant. DOP experts should be made available for consultation if needed.

A wide array of assessment tools can be applied in funneling candidates in addition to interviews. DOP can serve as an expert resource to human resource staff and hiring managers on the use of these tools.

Recommendation:

Emphasis should be placed on giving hiring authorities needed training and guidance to properly conduct interviews and other appropriate final assessment tools. A rule does not appear necessary.

10. Reference, Background, and Other Checks

Various checks can be made relevant to prospective employees, prior to an employment offer. These checks verify the integrity of information supplied by the candidate, provide a perspective on the nature of the candidate's previous employment, and provide other job relevant information.

As Shakespeare said, "Past is prologue." The best predictor of future performance is past performance. Reference checks verify employment history and may give insight on a candidate's past employment from the perspective of management staff, coworkers, subordinates, or customers. In some cases reference checks can be used as a final funneling device to differentiate between the top employment prospects.

Educational history checks verify education and the attainment of degrees. Criminal background checks provide information on past convictions that would impact a candidate's ability to perform a job. Other possible checks include licensing and credit history.

It serves the interest of the state to have an environment that enables and promotes appropriate use of reference and background checks. This includes the ability to check the personnel files of state employees in other agencies.

These help to ensure hiring of the best qualified candidates and help to protect the safety and welfare of our state's employees and residents. It is much more costly for the state to deal with the consequences of a bad hire after it is made than to take appropriate preventative steps to avoid the bad hire in the first place.

Recommendation:

State agencies and institutions should be allowed access to personnel files of state employees outside of their organization when such employees are being considered for employment.

11. Hire and Appointment – Separation and Reversion

Hiring is the process of bringing a candidate into a position. The goal should be to hire the best-qualified available candidate based on job-related criteria. As noted previously, this requires ensuring that hiring authorities have the tools, resources, and training to apply relevant options in the funneling process to final hire. It also requires that hiring authorities are held accountable for appropriate application of the process in a fair and nondiscriminatory manner.

There are different kinds of appointments that come into play depending upon the nature of the hire. These include probationary; trial service; transfer; lateral movement; demotion; and, elevation. Each are discussed below.

Probationary Appointment and Review Period

The initial appointment of an employee into state service is called a probationary appointment. The civil service law requires adoption of probationary appointments of six to twelve months by classification. Employees may be separated from service during their probationary appointment if they do not meet position requirements.

Although the DOP customer survey did not specifically ask about probationary appointments, numerous comments were volunteered on the subject. Many felt that six months is not an adequate work cycle time to determine whether someone can succeed on a longer-term basis. Employees and managers emphasize that while “best qualified” is important, what is most crucial is *actual* performance.

Recommendation – Probationary Appointment:

Option 1:

Agencies/institutions have discretion to set the probationary period anywhere from 6 to 12 months depending on the needs and circumstances of the job. If the period is initially set at less than 12 months, the organization has discretion to extend up to 12 months should the need arise.

Option 2:

Vary the probationary period per each of the four levels of an occupational category. For example, Level 1 and Level 2 might be 6 months, Level 3 at 9 months, and Level 4 at 12 months. Levels 1 – 3 could be extended for a total of 12 months.

Option 3:

Make all probationary periods 12 months, with local discretion to reduce the amount of time, but to no less than 6 months.

Option 4:

Retain 6 month probationary period for most, with agency/institution discretion to extend for a total of 12 months.

Trial Service Period

When permanent state employees are promoted (and in some other instances of voluntary employee movement) they serve a trial service period. Currently the trial service period is six months (except for campus police officers).

Input from managers about trial service periods mimicked the concerns about probationary periods with many managers suggesting a longer period to allow appropriate review.

Currently employees in trial service periods have automatic reversion rights if promoted within their current organization. Employees have rights to be placed on the reversion registers if promoted to a different organization and reverted.

Recommendation – Trial Service Appointment:

Proposed trial service review period options are the same as those listed above for probationary period review periods.

Current rules provide for automatic reversion rights of employees who promote with their current employer and fail to complete their trial service period. At this time, it is recommended that the ability to revert under these circumstances be continued.

Transfer, Lateral Movement, Demotion, and Elevation

General government defines transfer as the movement of an employee from one position to another in the same classification or to a position in a different classification with the same salary maximum level for which the employee qualifies. Higher education defines transfer as a change from one classified position to another in the same class, and lateral movement as the appointment of an employee to a position in another class which has the same salary range maximum as the employee's current classification.

Voluntary demotion is movement of an employee to a lower salaried position. Within general government, elevation is restoring an employee to a higher classification, with permanent status, which was held prior to being granted a demotion.

Both higher education and general government have rules regarding transfer and voluntary demotion. General government has a rule on elevation and higher education has rules for lateral movement. These rules provide for employee mobility and, within any limits imposed by collective bargaining agreements, administrative movement of staff by the hiring authority without the requirement of certification.

This kind of mobility meets the interests of the state given the fluid nature of work. Additionally, it gives employees further access to career mobility.

Recommendation- Transfer, Lateral Movement, Demotion, and Elevation:

Multiple avenues for employee mobility should be continued. However, the agency/institution should have the option of establishing a review period like the trial service period for these kinds of employee movements.

12. Nonpermanent Appointments

Nonpermanent appointments are used for situations where there is not a need to employ an individual on a continuing basis. Nonpermanent appointments may address workload peaks or backlogs, the absence of a permanent employee, and other short-term work needs.

Appointees into nonpermanent appointments do not normally gain permanent status in the position. Unless already a permanent employee, nonpermanent appointees often receive fewer employment benefits than permanent staff, such as insurance coverage, retirement, and leave.

Probably the most common type of nonpermanent appointment is called “temporary”. Generally speaking, such appointments are limited to nine months in any 12 month period, although there are some differences between the general government and higher education rules. Temporary appointees work on a scheduled basis, either full-time or part-time.

General government also has provisions for “emergency” appointments that may not exceed thirty calendar days, as well as a nonpermanent appointment called “intermittent”. Unlike other nonpermanent appointments, intermittents may continue for an indefinite period of time, but are limited to infrequent and unscheduled employment not to exceed a 1560-hour threshold within a 12-month period. These appointments are used to have staff available to meet unanticipated needs.

Nonpermanent appointments provide a valuable business tool for staffing to meet situations in which the employment of permanent staff would not be practical or cost effective. The Recruitment and Selection Concept Design Team felt that nine months is not a sufficient period of time to meet all nonpermanent staffing needs, and that provisions for longer periods of time should be considered.

There has been some concern from employees and employee representatives about possible misuse of nonpermanent appointments to avoid benefit costs or to fill a staffing situation that should more appropriately represent a permanent staffing situation. This can be best addressed by accountability and monitoring of use by DOP.

Student employment in higher education is another kind of nonpermanent appointment that generally falls outside of the scope of civil service rules. Student employment within higher education has a direct tie in to the educational process that should be protected.

Recommendation:

After review and discussion of the team’s proposed options, the Department of Personnel determined that the following were the most viable for further consideration:

Option 1 - Temporary appointments of up to 18 months to meet full-time nonpermanent staffing needs. No extensions would be allowed, and a 6-month break would be required before employee could return in a temporary capacity to the same agency.

Option 2 - Temporary appointments of up to 12 months to meet full-time nonpermanent staffing needs. No extensions would be allowed, and a 3-month break would be required before employee could return in a temporary capacity to the same agency.

Option 3 - Temporary appointments of up to 9 months to meet full-time nonpermanent staffing needs. An extension of up to 6 months would be allowed under special circumstances, and a 3-month break would be required before employee could return in a temporary capacity to the same agency.

Option 4 – Apply the current higher education provisions for temporary appointment, but with the general government limit of 1560 hours. This could be used for temporary appointments and current general service intermittent appointments.

In addition, all nonpermanent appointees should be notified in writing of their appointment status and the anticipated duration of their appointment. This will ensure that they have an understanding of the terms and conditions of their employment. Intermittent and emergency appointments should be incorporated within the temporary appointment rules.

13. Seasonal Employment

Seasonal employment represents those employment situations in which there is a regular and ongoing pattern of a need for staffing on a time-limited basis. This kind of employment is useful to meet staffing needs that occur on a recurrent basis, but that are limited in duration based on seasonal needs or conditions.

WAC 356-05-385 defines seasonal career employment to include two work patterns: (1) work in positions, not intermittent in nature nor exempted by statutes or the provisions of WAC 356-06-020, which is cyclic in nature and beginning at approximately the same time each year lasting for a minimum of five months and a maximum of nine months in any consecutive twelve-month period; and (2) work patterns in positions as in (1) above but lasting for only a minimum of three months each season and for the past three consecutive seasons in the same agency.

Employees matching these provisions obtain permanent career seasonal status. The employees gain certain rights pursuant to WAC 356-30-130. This includes layoff and return rights from a seasonal career RIF register. There are also rules by the Health Care Authority regarding when seasonal employees qualify for medical insurance, including during layoff. The HCA provisions do not overlay the Merit System Rule provisions.

Seasonal employment provisions can be confusing to hiring agencies and employees. Further, the current time periods do not meet business needs. For instance, in the Department of Natural Resources, seasonal employment is used to hire fire fighters. In an extended fire season, there may be a need to continue fire fighters beyond nine months. The five-month period is extremely short for judging performance, falling short of the required period now set for the probationary period at six months.

One option to seasonal layoff could be rules under which an individual who performs seasonal work for a defined period of seasonal employment each year could retain

employee status (i.e., not be laid-off), provided that the regular salary for the period of seasonal employment is prorated and paid over all 12 months of the year. Under this option, there would be no break in service and there would be no unemployment insurance, but there would be the state contribution for health insurance all 12 months.

This would be an added cost over current practice for those who work seasonal for at least 6 but not more than 9 months. However, if not already a factor in administering unemployment compensation, provision should be made to preclude eligibility for unemployment insurance if not laid-off. If a seasonal employee, for reasons other than resignation or dismissal, did not work an entire season, the separation would be a layoff. If seasonal employment was extended or the seasonal employee worked overtime, the employee would receive compensation for such work, in addition to the prorated pay established at the beginning of a season.

Recommendation:

The team suggested refining the definition of seasonal career employment to work in positions, not intermittent in nature nor exempted by statutes or the provisions of WAC 356-06-020, which is cyclic in nature and beginning at approximately the same time each year, lasting for the required six months, and less than 12 full months in any consecutive twelve-month period. Shorter cyclical needs could be met by a nonpermanent appointment.

However, the Department of Personnel has determined to defer advancing this option until further study has been conducted.

14. Cyclic Employment

Cyclic employment represents those situations in higher education institutions in which there is a regular and ongoing pattern of employment due to known, recurring periods in the annual cycle when the position is not needed.

Under the cyclic year position configuration, the employee is notified before the start of each annual cycle of their scheduled period(s) of leave without pay. Such period(s) of leave without pay does not constitute a break in service for seniority purposes and is not deducted from the employee's length of service in granting periodic increment increases, or years of service for leave accrual purposes. If additional work is required of a cyclic year employee during the regularly scheduled period of leave without pay, the temporary work is offered to the employee.

Recommendation:

It is recommended that the rules regarding cyclic year employment be retained for higher education institutions as currently reflected in WAC 251-WAC 251- 17, 18, and 19, at this time.

15. Project and Special Employment Programs

General government currently uses a program designated by the Director of Personnel as "project employment," that is separately funded by a grant, or by specially targeted federal or state funds, has a specific goal, and has an end in sight. WAC 356-30-145 governs project employment in general government. There are no rules in higher education on project employment.

Project employment is established with separate reduction-in-force boundaries and appointees do gain permanent project status upon completion of a probationary period.

Special employment programs are those programs designated by the director of personnel that are designed and implemented to reduce unemployment and/or provide training opportunities to enable persons to become more employable. Special employment programs are funded in total, or in part, from sources other than the normal sources available to the employing organization.

Recommendation:

Both of these programs may be helpful in addressing special employment needs. General government and higher education rules should be consolidated to continue enabling these programs.

16. Pre-Employment Testing

Pre-employment tests are tests administered after a conditional offer of hire to ensure a person can perform the job's essential functions. These could include a physical capacity, medical, or drug tests.

It is important for hiring managers and human resource staff to be aware of pre-employment testing tools, their uses, and conditions for the use of pre-employment testing under federal and state law. DOP can serve as a resource for such information.

Recommendation:

Continue current practice. A rule does not appear necessary as existing federal and state laws will apply.

17. Orientation

Orientation is the process of familiarizing a new employee with the employee's duties, job expectations and standards, organizational policies and procedures, and work environment. Gallup research has demonstrated that an employee's understanding of performance expectations is the cornerstone to effective organizations. The process of orientation sets new employees off on the right foot.

Many state agencies have excellent orientation programs. An on-line new employment orientation program developed by General Administration has been identified as a best practice and is available as a model for other state organizations.¹⁶ The Michigan State Department of Civil Service has extensive information and could also serve as a model.¹⁷

Recommendation:

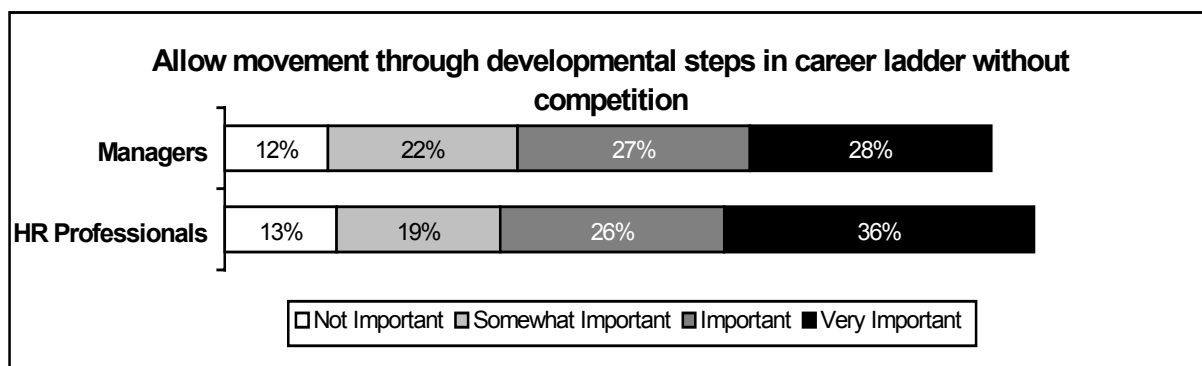
DOP should serve as a clearinghouse for resources and other best practice information concerning employee orientation.

18. Development Programs

Developmental programs serve to meet current and future recruitment needs by development of the KSA's of current staff. They may include in-training programs, apprenticeships, mentoring, developmental job assignments, tuition assistance, internships, and the state's College Recruitment Program.

As the number of highly skilled jobs continues to grow and with continued competition for qualified applicants, the state is likely to experience difficulties in finding candidates with the required capacity to fill some positions. Developmental programs can tie into staffing needs to help address this situation.¹⁸

In the DOP customer survey, a majority of managers and human resource staff identified the ability of employees to be moved through development steps in the career ladder without competition as an important human resource tool. Survey data is reflected in the chart below:



The current in-training process authorized in WAC 356-30-135 for general government provides a vehicle for addressing staffing needs where available candidates may not

¹⁶ <http://www.wa.gov/dis/bestpractices/bestpracticesorientation.htm>

¹⁷ http://www.michigan.gov/mdcs/0,1607,7-147-6879_15761---,00.html

¹⁸ An interesting upward mobility program was established in the state of Illinois in conjunction with AFSCME -- <http://www.state.il.us/cms/persnl/UMP/default.htm>. It provides assistance in covering tuition costs for advanced education in certain fields.

have all the qualifications to perform at the level desired without further development. It establishes an in-training process that allows the candidate, without competition, to move up within a class series to the desired level. This tool is useful in facilitating career change, mobility, and workforce diversity.

A centuries old development process is represented by apprenticeship, “the original four year degree”. While traditionally apprenticeship programs have focused on the trades, increasing use is being made in other fields. For instance, there is an apprenticeship program for correctional officers. The Washington State Department of Labor and Industries coordinates a statewide apprenticeship program.¹⁹ Labor and Industries, General Administration, Parks, and Department of Transportation either have apprentices now or are in the process of bringing them on soon.

Developmental job assignments in general government under WAC 356-39-040 and the higher education and general government rules on tuition reimbursement and internships represent further valuable resources for employee development.

Recommendation:

The need for many of these programs will be governed in part by the fluidity and flexibility that exists to develop and pay employees within the new classification and pay structure. These kinds of programs are important and recommend maintaining current rules as referenced above (in-training, college recruitment program, developmental job assignments, etc.) that facilitate development of staff and help to prepare to meet future organizational staffing needs. There appears to be opportunities to better use the concept of apprenticeship in state service and a rule may be needed to facilitate the establishment of apprenticeship positions.

19. Recruitment and Selection Management Practices

To work effectively and efficiently, the recruitment and selection process must be well managed. This includes using data to identify needs, trends, and program effectiveness and using strategic planning to proactively address recruitment needs. It must be monitored and measured to ensure high quality, equitable administration, and achievement of affirmative action goals. As noted earlier, Governing Magazine identified conducting strategic analysis of present and future human resource needs as an important best practice in recruitment and selection.

Organizations that use methods to track and monitor success rates of different recruitment methods are in the best position to achieve ongoing effectiveness and efficiency. Possible metrics would include yield ratios (e.g., ratios of leads to invites, invites to interviews, interviews to offers, and offers to hires); time to hire; and, cost to hire.

¹⁹ www.LNI.wa.gov/scs/apprenticeship

Assessment tools should be evaluated against actual employee performance to ensure the most suitable recruitment method is being used for the appropriate position. Assessment tools should also be evaluated to ensure there is no inappropriate bias.

Recommendation:

The continued development of a modern day human resource information system by DOP, an increased awareness of human resource staff about strategic planning and effective business processes, and an increased role of DOP in providing tools and resources for human resource business management and strategic planning are all directions to pursue to better position the state in this area.

Other Considerations

Like any other human resource practice, recruitment and selection should be linked to successful accomplishment of the organizational mission. Recruitment and selection should be a flexible and streamlined process that meets today's needs. It also should be a fair and open process that promotes fairness to employees, applicants, and the concept of merit. It should be efficient and provide good value for the taxpayer's dollar.

To effectively meet today's recruitment and selection challenges, we need to reshape our recruitment and selection strategies from a "one size fits all" regimented process to one that is position-specific and offers speed and flexibility while maintaining the principle of merit. Enabling good human resource practice and holding hiring authorities accountable for the application of good practice rather than control through inflexible rules can best accomplish this goal.

The recruitment and selection process for the state must be in a position to effectively compete for talent by being swift, efficient, and effective. To address skills and talent gaps, it must link with processes to foster development of employees within the system where necessary.

The system should present no artificial barriers to women, ethnic minorities, and other protected groups. Candidate sourcing and recruitment should include active outreach to underrepresented communities.

The process of civil service reform will require human resource staff and managers to gain and apply new knowledge and skills in the process of recruitment and selection. Some have expressed concern about a skills gap. This is an issue that needs to be addressed and will require significant training and resources. Training in multiple forms, guides, and technical assistance will be needed. With these responsibilities will come accountability to conduct these processes based on job relevant criteria in the best interest of the residents of the state and state employees.

The role of DOP in the recruitment and selection arena is subject to major change. DOP's role in processing will largely be focused on providing a modern day information technology infrastructure that will automate processing actions and provide relevant human resource information. This will free up both DOP and employer HR staff for more value added activities.

DOP should play an active role in providing tools, resources, and training to enhance the capacity of agency and institution HR staff and hiring authorities to effectively and fairly manage the recruitment and selection process. This may include such things as data to help in strategic recruitment planning and assessment, establishing master contracts that may be used by hiring agencies with vendors to provide services such as background screening, providing consultation and resources on screening tools, etc.

Lessons from other states indicate DOP will need to play a critical role in monitoring decentralized activities to ensure equitable application. Even this quasi-audit role would still be focused on outcomes versus process.

Some in general government have expressed concerns about workload increases that would be associated with decentralization. The Recruitment and Selection Concept Design Team felt that this increase will be largely addressed by decreases in workload created by simplification of regulation and effective application of technology. Further, DOP's increased role as a professional resource and decreased responsibility for administration and regulation will enable a more effective partnership in assisting institution and agency HR offices in accomplishing their service mission.

Another concern expressed was possible loss of current decentralized autonomy in higher education institutions. Nothing in the options would limit current local institution autonomy. There are new resources and technology, such as Inet App, that may offer some advantages of economy and efficiency that higher education may tap into.

Civil service reform provides Washington State government an excellent opportunity to adopt a modern and efficient recruitment and selection process, while actually improving performance with regard to hiring based on merit. Despite the numerous rules and regulations that exist, many employees continue to perceive that hiring is not based on merit. In all the employee surveys that DOP has done for agencies, the question regarding hiring on merit consistently receives the lowest positive response. An open, flexible system that is easy to understand and that bases selection on job relevant criteria offers great opportunity to improve on this perception. Focusing on outcomes versus establishing complicated and inefficient practices is a key criterion.

It is recognized that removing overly restrictive rules and processes will not necessarily solve various problems with the existing civil service recruitment and selection system. It is important to keep in the forefront the principles that provide crucial protection for employees from arbitrary and discriminatory treatment, and protections to the public to minimize patronage, promote fairness, and create a professional and stable workforce.

Recruitment and Selection Options

APPENDICES

Appendix 1

Recruitment and Selection Concept Design Team

Mark Andrews, Team Leader	Department of Natural Resources
Gregg Arndt	Department of Personnel
Kim Britton	Washington Federation of State Employees
Ginny Dale	Department of Personnel
Katie Gerard	Department of Personnel
Ernie LaPalm	Department of Labor & Industries
Phyllis Lowe	Department of Social & Health Services
Paulette Nelson	Department of Natural Resources
Jan Smallwood	Department of Licensing
Jason Sterling	Department of Personnel
Sandi Stewart	Department of Personnel
Laurel Uznanski	The Evergreen State College
Pam VanSpoor	Department of General Administration
Kermit Wooden	Department of Transportation
Pam Zupan	Central Washington University

Appendix 2

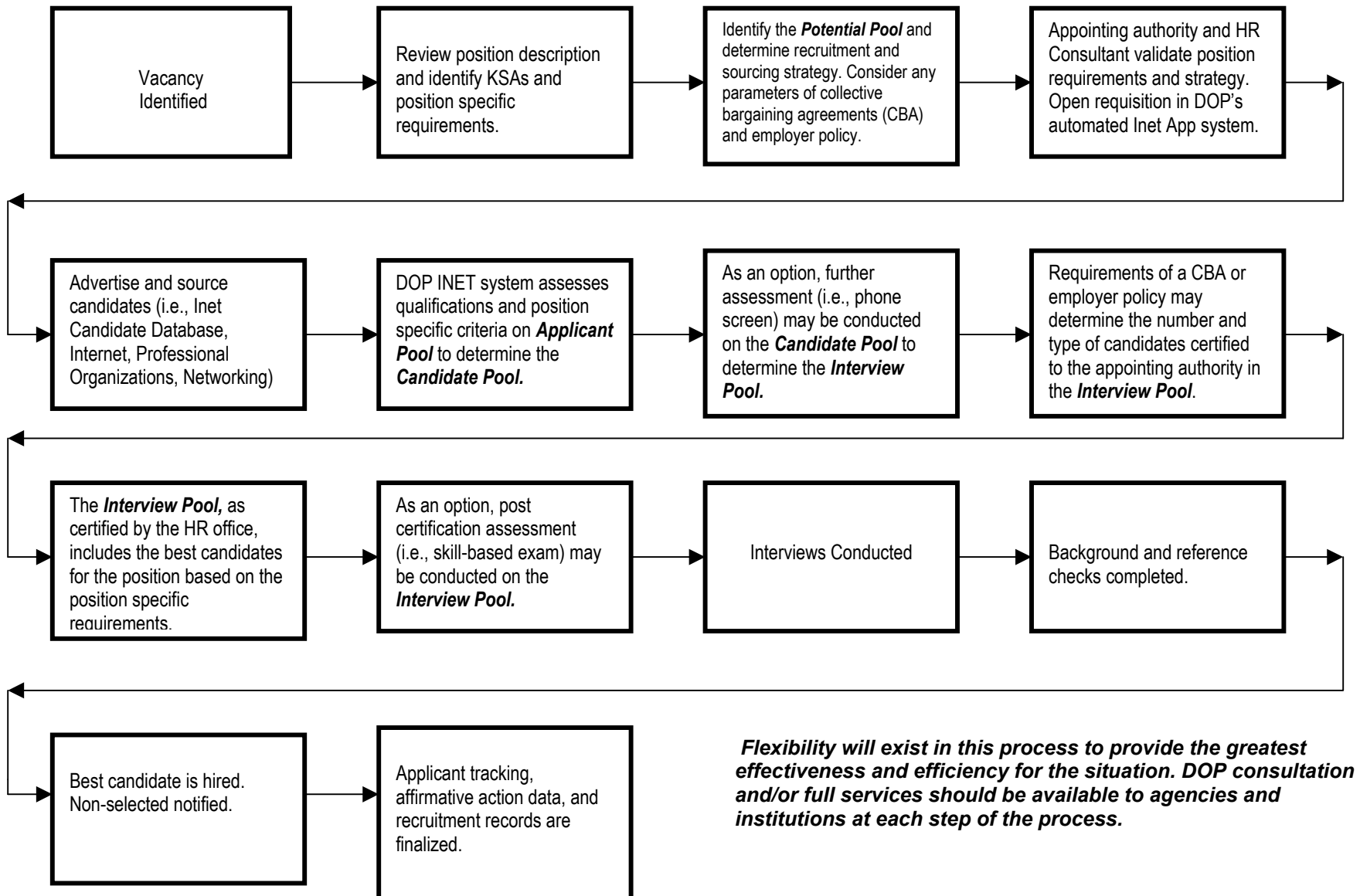
Examples of “Pools” in the Recruitment and Selection Funneling Process:

Example #1: Office Assistant	
Potential Pool:	Individuals in the workforce with an interest and the talents to perform as an Office Assistant.
Applicant Pool:	All individuals who indicate their interest in state employment by applying for the Office Assistant recruitment. Based on desirable qualifications, all applicants become a part of the Office Assistant applicant pool by completing the application and computerized assessment tool (i.e., experience and training questions, skill code declaration).
Candidate Pool:	The employer determines the necessary knowledge, skills, and abilities (KSA's) for the position. They identify the need for someone who is bilingual Spanish, can type 40 wpm, has reception experience and is available to Spokane for the specific vacancy. These criteria are applied to the applicant pool to determine the candidate pool.
Interview Pool:	The employer determines if additional assessment is necessary to narrow the certification of names to the hiring authority. If no, the employer HR staff certifies all of the candidates and forwards them to the hiring authority. If yes, the employer HR staff conducts further screening to narrow down candidates, such as a phone screen and performance test, and then certifies the successful candidates to the hiring authority. The certification creates the interview pool.
Hire:	If appropriate, additional job related assessment (i.e., performance test, behavioral interview, writing sample, reference checks, etc.) is done after certification. The hiring manager conducts interviews and reference checks, and makes a job offer to the successful candidate.

Example #2: Architect	
Potential Pool:	Individuals in the workforce with an interest and meeting the required qualifications to be an architect. Requirements include registration as an architect in Washington State or in a state having reciprocity with Washington.
Applicant Pool:	Based on required qualifications, all applicants who are registered as Architects in Washington State or in a state having reciprocity with Washington become part of the Architect applicant pool by completing the application and computerized assessment tool (i.e., experience and training questions, skill code declaration).
Candidate Pool:	The employer determines the necessary KSA's for the position. They identify they need someone with five years of project management experience, five years of commercial design experience, supervisory experience, and is available to Olympia for the specific vacancy. These criteria are applied to the applicant pool to determine the candidate pool.
Interview Pool:	The employer determines if additional assessment is necessary. For this Architect vacancy, the employer decides to conduct a phone screen and a design portfolio review. The successful candidates identified through the phone screen and design portfolio review become the certified candidates and are given to the hiring manager for interview.
Hire:	The hiring manager conducts interviews and reference checks, and makes a job offer to the successful candidate.

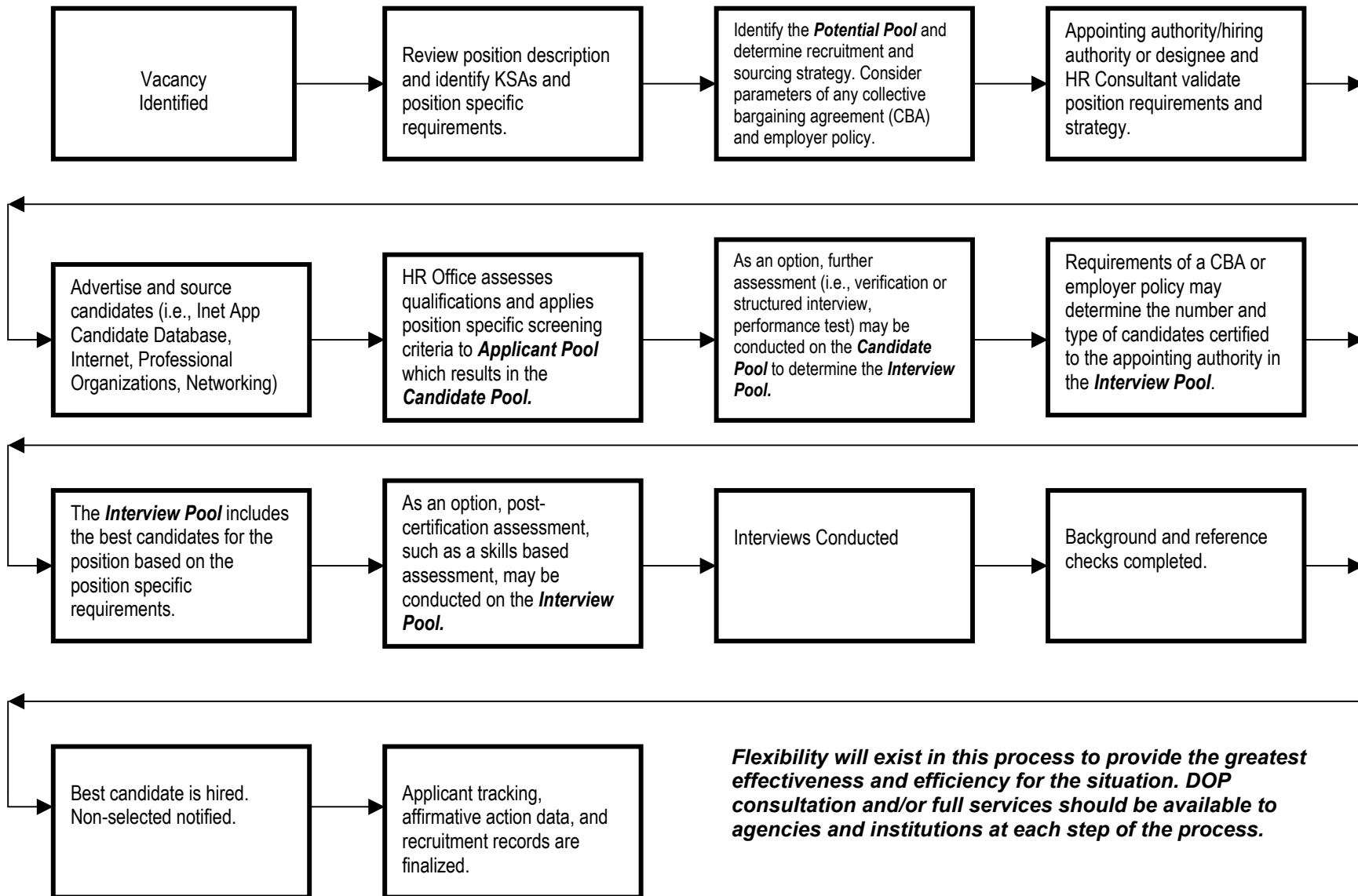
Appendix 3

Washington State HR 2005 Inet App Recruitment Flow Chart



Appendix 4

Washington State HR 2005 Decentralized Recruitment Flow Chart





SECTION 3

Performance Management Options

Page

72	Background
72	Overall Importance of Performance Management
74	Performance Management: Key Components and Recommendations
74	Overall Planning and Communication
74	Performance Expectations
76	Coaching and Development
76	Performance Appraisal
78	Rewards and Recognition
80	Corrective and Disciplinary Action
85	Performance Management Concept Design Team Members

Performance Management Options

Background

The Department of Personnel convened a Performance Management Concept Design Team composed of sixteen members representing varying interests in general government, higher education, and labor. The team worked from early November 2002 to March 2003 to design conceptual performance management options for consideration for the state's new human resource system. Members of the Performance Management Concept Design Team are listed at the end of this section.

The team's assignment was to focus on the global definition of "performance management"²⁰ that incorporates the general concepts of linking performance to organizational missions, performance appraisal, recognition, and corrective and disciplinary actions.

The team's analysis of performance management included a review of systems in other public jurisdictions as detailed in the DOP Human Resource Systems Research Report. Concerns and preferences of state managers and employees as detailed in the DOP Customer Research Report were also carefully reviewed. A review of relevant current and revised RCWs was conducted. In addition, the team sought information and advice from Dick Grote of Grote Consulting, a nationally recognized expert on performance management, especially pertaining to his "discipline without punishment" model for performance management. The discipline without punishment model is a new approach that has been successfully implemented by public and private sector employers as part of their performance management systems.

The team's recommended design options for a performance management system for Washington State were guided by the general HR 2005 design criteria set forth on page 2 of this document. The Department of Personnel carefully reviewed these options and determined which were most viable for presentation to a broader audience for discussion and feedback. These are presented herein.

Overall Importance of Performance Management

Establishing and classifying positions, establishing salary levels, and hiring great talent to fill those jobs, are critical first steps to creating a high performing workforce. But that is just the beginning. Building and sustaining employee quality, productivity, and

²⁰ "Performance management" is considered by some to be synonymous with "performance evaluation". The HR 2005 design and development work defines it in a much broader context, consistent with modern human resource management.

satisfaction is highly dependent on a strong system of performance management. A system that:

- Clearly links employee performance to the organization's mission and strategic plan
- Clearly spells out employee performance expectations, including competencies and job-related goals for successful performance
- Ensures ongoing coaching and feedback
- Regularly assesses performance in a constructive fashion
- Provides meaningful, timely recognition
- Takes timely corrective or discipline action if needed

In a performance based workplace culture, such a performance management system is integrally threaded through all other aspects of human resource management, including compensation, hiring, career growth and advancement, and separation. As such, this is a crucial topic, if not a cornerstone, for the HR 2005 development effort.

Generally speaking, Washington State government has not inculcated a performance based workplace culture in this sense. There has not been a clear overall mandate from executive leadership, and managers have not been held consistently accountable to do what is necessary to support strong employee performance. Moreover, important aspects of the state's human resource system have not been designed to recognize performance and, in fact, have worked against a focus on high performance (e.g., compensation not linked to performance; corrective/disciplinary processes are overly cumbersome and time-consuming).

That said, the call for modern, effective performance management is inherent in the Governor's quality initiative, in the appropriate use of the balanced scorecard or other strategic planning tools, and in comprehensive organizational assessment processes. In addition, the Department of Personnel offers a number of services and tools to support effective performance management including: management and supervisory training, performance appraisal tools, employee satisfaction assessment tools, and organizational consultation services.

Nonetheless, there are several indications that these services and tools are either not used or are not used properly. Again, at issue is a lack of consistent management accountability and the existing lack of linkage of key components of the HR system to employee performance.

Managers and employees are well aware of this and express their concern and frustration. In the extensive customer research conducted by DOP in 2002, one of the most prevalent concerns voiced by state employees and managers was the all too frequent tolerance of poor performance and the lack of meaningful recognition of strong performance. Specific feedback from the customer survey is presented in relevant portions of this section.

Performance Management: Key Components and Recommendations

Overall Planning and Communication

Presently, each agency and higher education institution develops a biennial strategic plan that lays out key goals and objectives to carry out the organization's mission. Strategic plans include performance measures to allow assessment of progress toward and achievement of those overall goals and objectives. This planning is a legal requirement for state agencies as part of the budget process.

Success in implementing and achieving that set forth in organizational strategic plans is contingent on the capabilities and efforts of the agency/institution workforce. Employees need to know what the key components of the strategic plan are and, most importantly, how their job and performance fits in and contributes to that plan.

It is essential that executives clearly communicate to employees the organization's overall mission and goals and, particularly, the role and accountability of managers and employees in successfully achieving those goals. This communication should include laying out the organization's philosophy and commitment to developing a performance based workforce culture. It should also clearly outline the components of the organization's performance management system and the roles, responsibilities, and accountabilities of managers and employees within that system.

Recommendation:

- *This is a key management function executed at the agency/institution level. While no rule appears to be necessary, it is recommended that the Department of Personnel develop guidelines or suggested approaches, as part of an overall performance management package, to facilitate the communication described above. Such guidelines or suggestions should be coordinated with the overall strategic planning and quality guidance offered through the Governor's Office.*
- *Consideration should be given to issuing some type of directive requiring agencies to initiate and sustain a performance-based workforce culture, including appropriate management and employee accountability.*
- *Supervisory training – including all aspects of performance management – be mandatory for supervisors and managers within six months of assumption of their duties (and managers should be held accountable if subordinate supervisors do not receive mandatory training).*

Performance Expectations

Ideally, the agency/institution strategic plan should lead to a determination by the organization of what jobs are needed where and when. This analysis leads to a

determination of needed workforce competencies. As mentioned in Section 2, Recruitment and Selection, this process is a key step in determining hiring needs.²¹

These competencies, together with individual results expected, make up the performance expectations for each employee. Again, the performance expectations must be clearly linked to the mission and strategies of the organization. These are determined by agency/institution management, often with employee involvement.

Competencies refer to the “how” of the job and are the knowledge, skills, and standards of behavior that are expected of employees. There are typically two categories of competencies: “core” and “individual”.

Core competencies are those required of all employees at all levels in the organization. Examples include customer focus, interpersonal communications, ethics/integrity, etc. Individual competencies are those that are necessary to successfully fulfill the duties and responsibilities of specific occupations and/or specific positions.

Individual results expected refer to the “what” of the job. They include a delineation of the key job responsibilities, specific individual goals, and any key special assignments during a specified performance period. These expectations should be revisited during the course of the performance period and revised, if needed, due to changes in the work or other performance issues.

Typically, supervisors lay out employee performance expectations as part of the performance appraisal process at the beginning of the performance period. The Employee Development & Performance Plan (EDPP)²² is the performance appraisal tool presently in place for state agencies for non-management employees. It is designed to facilitate clarification of performance expectations. It is noted, however, that this tool does not call for performance expectations in the manner described above.

Recommendation:

It is recommended that performance expectations, linked to the agency/institution mission and strategic plan, continue to be an integral first step of the performance appraisal process. It is suggested that the EDPP or related tool be revised to reflect the description of “performance expectations” spelled out above. The Department of Personnel should provide more detailed guidelines, training, and consultation on developing and communicating expected competencies and key job responsibilities and individual goals.

²¹ The DOP Workforce Planning Guidelines are designed specifically to help managers and human resource professionals with this process (hr.dop.wa.gov/workforceplanning/wfpguide.htm).

²² The EDPP is the performance appraisal process issued by the Department of Personnel pursuant to RCW 41.06.169 which requires the DOP Director to develop standardized employee evaluation forms and procedures to be used by state agencies for evaluating employees. Agencies and institutions are allowed to supplement the standardized process to meet specific organizational needs.

Coaching and Development

Managing performance requires ongoing coaching and feedback and access to developmental opportunities throughout the performance period.

Ongoing coaching enhances communication between employees and their supervisors and it allows supervisors to identify areas in which employees may need additional training or development. Coaching allows the supervisor to identify performance deficiencies in a timely manner so that employees can be given training or guidance before the problem becomes extreme.

Providing developmental opportunities assures that employees have the knowledge, skills and abilities necessary to do their jobs, to grow professionally, and to become even more of an asset to their employer. In addition, employees feel valued when agencies or institutions make an investment in their professional development. Feedback acquired in the 2002 DOP customer survey indicated the need for a strong commitment in time and resources to needed training and development.

The EDPP performance appraisal tool includes a specific section for identifying training and development needs and opportunities. Some agencies also prepare a special individual development plan for employees. DOP offers training resources on a myriad of subjects to assist in fulfilling development needs.

Recommendation:

Informal on-going/interim feedback and coaching should be given to employees during the evaluation period and should be documented in a supervisory file. Information in the supervisory file should be incorporated into the annual performance evaluation. DOP should prepare understandable and comprehensive guidelines to help supervisors provide effective coaching and feedback. DOP should continue to provide supervisory training that focuses on this subject.

Employees should be given development and training opportunities and the tools necessary to carry out their jobs and meet the performance expectations of their positions. The EDPP or other appraisal tool should continue to incorporate a section devoted to employee development. DOP should provide guidelines and consultation on identifying training needs and activities to satisfy those needs.

Performance Appraisal

The Department of Personnel provides two basic performance appraisal tools: the Employee Development & Performance Plan (EDPP) and the Management Development & Performance Plan (MDPP). Most agencies use these tools (or slight variations thereof). Higher education institutions often use different tools.

The EDPP and the MDPP are designed to promote a participative process to communicate performance expectations, identify development needs, and provide

feedback. The EDPP also includes a section for employees to provide feedback to their supervisors. Both the EDPP and the MDPP focus on a narrative format, rather than a rating box approach.

For the most part, those who properly use the EDPP feel that it works well for performance communication purposes, that it is easier to use than other approaches, and that the lack of rating boxes is preferred. The MDPP is rather cumbersome, and the rating checklists found in the higher education employee performance evaluation form are not conducive to meaningful discussions between supervisors and subordinates.

The key problem indicated by employees and managers in the DOP customer survey was the failure by many supervisors to conduct performance appraisals in a timely fashion, or to conduct them at all. Again, the EDPP (or similar process) is explicitly designed to help communicate job expectations and identify development needs, as well as give performance assessment feedback. These are critical components of overall performance management. To the degree the tool is not used timely or not used at all, effective performance management is seriously lacking.

Most point out that many supervisors simply are not held accountable for conducting effective, timely performance appraisals. Although an annual assessment of employee performance is required by law, there does not appear to be any particularly negative legal consequence to not doing it. Because performance has not been linked to any type of pay decision, there is no immediate financial consequence to not doing the appraisal.

To do it well, the performance appraisal process takes time and thought. If there is not a performance problem, some feel no compulsion to take time for the process. If there is a problem, it takes courage and is not something that people look forward to. Under the current human resource system, it can easily be put off because there is no *immediate* negative consequence.

Holding managers accountable to clarify performance expectations and assess performance on a timely basis is key to a performance-based culture. Employees need to know what is expected of them and how they are doing. If the new human resource system factors performance into pay and layoff decisions, this accountability will be crucial.

Recommendation:

As required by present statute, performance appraisals should be conducted annually. A means should be put in place to hold managers and supervisors accountable for timely appraisals.

DOP should offer a consolidated performance appraisal tool which would be a refined version of the EDPP, and could be used for employees, as well as managers, in any agency or institution.

Agencies and institutions should retain the ability to supplement or refine the appraisal form with criteria unique to their particular needs.

DOP should provide enhanced guidelines, training, and consultation on performance appraisal.

Whatever tool is used, it should include components that:

- Outline clear performance expectations and realistic timeframes to achieve expectations
- Offer techniques or prompters to enhance communication between employees and supervisors
- Identify training and development needs/opportunities
- Base assessments on observable behavior
- Contain no rating boxes or ranking checklists

It is fully recognized that if performance is used as a factor for pay and/or reduction-in-force decisions, a different system would be necessary. However, the strong recommendation is that a separate document or section of the appraisal tool using a rating system or performance criteria be developed rather than requiring a rating system within the EDPP (or related ongoing performance appraisal tool). Such a document could use the performance appraisal tools as a foundation for further decisions.

Recommendation:

Design a separate or supplemental tool for use in making pay, hiring, and/or layoff decisions

Rewards and Recognition

Behavior is a function of its consequences – behavior that is recognized and rewarded is more likely to recur; behavior that is not recognized will become less probable. Timely, meaningful positive feedback and rewards not only reinforce good performance, but also help employees learn what is desired, helps motivate continued excellence, and lets employees know that they are valued. As such, recognizing desired performance is an essential component of effective performance management and a key ongoing responsibility of supervisors and managers.

There is no provision in the civil service statutes or regulations that mandates formal or informal recognition programs. Agencies and institutions have discretion to independently develop and implement such programs. Some agencies have extensive programs while others give individual supervisors discretion in appropriately rewarding employees.

Recognition can be either monetary or non-monetary. Examples of monetary rewards include a one-time lump sum payment, performance based salary adjustments, approval to attend a special conference, payment of professional organization fees, or extra time off. Examples of non-monetary rewards include preferred parking, recognition in the form of a plaque or certificate of appreciation, public recognition before a group of peers, assignment to a choice project, or a simple handshake and “thank you” from a superior.

Comments from employees in DOP’s customer survey suggest that recognition is often a hit-and-miss proposition. Also, employees and managers noted that what is missing in the present system is the ability to financially reward good performers and not poor performers. Nearly 70% of employees felt that there should be a mechanism to offer a financial award to high performers.

The existing personnel WACs contain no provisions for general service employees to receive recognition compensation. Washington Management Service rules allow agencies to provide recognition compensation to WMS staff. In addition, some universities and colleges have monetary rewards for exempt staff.

While present personnel rules give agencies and institutions limited tools for financially rewarding exceptional performance, RCW 41.60.150 gives authority to offer recognition awards that may not exceed two hundred dollars in value per award. This may include, but is not limited to, cash, gift certificates, pen and desk sets, plaques, pins, framed certificates, clocks, and etc.

Recommendations:

- *Agencies and institutions should ensure that managers and supervisors are conscientious at providing consistent recognition of desired performance. This is a key management function and responsibility.*
- *Agencies and institutions are encouraged to design and implement employee recognition programs, if they have not already done so. Programs should be linked to an agency’s or institution’s mission and objectives and should offer meaningful and tangible rewards and recognition. Management should be responsible for monitoring the program and ensuring the program’s impartiality. DOP should provide guidelines and alternative models for such programs.*
- *Performance based pay alternatives recommended in Section 1 (Classification and Compensation) of this document should be incorporated as key tools within the total performance management process.*
- *Monetary awards must be linked to performance appraisals and/or other means that documents observable performance/achievements.*
- *The concept of “recognition leave” should be strongly considered at some point. An example of recognition leave could be approval for an additional day of leave for exceptional performance, meeting a significant goal, or completion of a major project. This is also mentioned in Section 5, Work/Life Balance, of this document.*

Corrective and Disciplinary Action

Existing Traditional Process

Washington State government presently uses what is considered to be the “traditional” approach to corrective and disciplinary action. It is an approach that has been in place since the 1930’s.

When coaching, feedback, and training fail to improve employee behavior and/or performance, agencies and institutions often take informal corrective action. This may include oral or written counseling and letters of reprimand. Informal corrective actions may not be appealed; however, under the terms of a collective bargaining agreement, they may be subject to grievances.

When informal corrective action fails to improve employee behavior and/or performance, agencies and institutions often take formal disciplinary action. Formal disciplinary action may include suspensions without pay for up to 15 days, reduction in salary, demotion, or dismissal. If the misconduct is egregious (i.e., may result in damage to state property or injury to others), progressive discipline may be bypassed and the sanction may be suspension followed by immediate dismissal. Formal disciplinary actions may be appealed.

In DOP’s customer survey, managers and employees voiced extensive frustration with the existing system. Excerpts include:

[Managers] ... point out that the present process is way too long and protracted. It is very time-consuming, cumbersome, stressful, and expensive, often resulting in little or no action. Many believe it practically takes “an act of Congress” to discipline or terminate a chronically poor performer [T]hose supervisors who actually get through the process say they won’t do it again because of the time, extensive documentation, problems, threats, lawsuits, etc.

Allowing poor performance to continue seemingly unfettered – either due to the system or to poor management – undermines the credibility of managers and is demoralizing to conscientious, well-performing staff who often have to pick up the slack.

On the other hand, some managers indicated that the existing system is adequate and contains needed protections. The issue is that it needs to be used, and used properly.

Managers also cited the need for mandatory training for supervisors on proper corrective and disciplinary procedures. They indicated a need for clear, easy-to-understand procedures and information. Some felt this would be useful training for employees as well.

Most of the employees' comments paralleled those of managers – that the corrective and disciplinary action processes are too lengthy, cumbersome, time-consuming, and often bear minimal results.

Many employees also commented that it appears that needed action is not taken timely or it is minimal or it is not taken at all. Others mentioned that sometimes the problem performers seemed to be rewarded by being reassigned to a different division or put on administrative leave. Some noted that poor performers don't take the process seriously; that they are protected and their job is not in any real jeopardy. Employees repeated the point that it is frustrating and demoralizing for good employees to have to put up with disruptive or poor performing co-workers.

Some employees felt that the problem was not the process, but with managers' ability to use it. The need for accountability and mandatory supervisory training was again noted in this regard.

The Performance Management Concept Design Team itemized the following pros and cons with the present traditional disciplinary action system as follows:

Existing Traditional Disciplinary Action System	
Pros	Cons
<p>Familiar to manager and employees</p> <p>Provides a range of disciplinary options</p> <p>Clearly communicates the seriousness of the performance deficiency</p> <p>Each agency or institution determines when deficient performance can no longer be tolerated and what steps to follow to effectuate a change in behavior</p>	<p>No system-wide standard for addressing performance deficiencies</p> <p>Process is time consuming, lengthy, and cumbersome</p> <p>Process fails to address performance problems until the problems are extreme</p> <p>No mechanism to achieve employee accountability and commitment to change</p> <p>Focuses on legal aspects of discipline process rather than improving performance</p> <p>The current WACs do not address poor performance as a specific cause for discipline</p>

Alternative Approach – Positive Discipline

An alternative to changing behavior is positive discipline. This non-punitive approach requires employees to take personal responsibility for their behavior and/or performance and commit to improvement as a condition of continued employment.

The Performance Management Concept Design Team consulted performance management expert and author Dick Grote to learn more about the “Discipline Without Punishment” approach which is being used successfully in many private and public organizations. This approach encompasses a process that encourages communication between employees and supervisors. It focuses on the employee’s personal responsibility to improve and fully commit to meeting the performance expectations of his/her job.

As Dick Grote puts it, you can punish employees into compliance, but you cannot punish them into commitment. The goal of this positive discipline approach is to bring the employee up to acceptable standards of performance, rather than to terminate.

When informal discussions, coaching, feedback, and training fail to improve employee behavior and/or performance, the employee is given a written reminder of the expected behavior and/or performance and that it is the employee’s personal responsibility to fulfill that expectation. If the problem continues, the employee is given a second written reminder.

If no improvement is made, the employee is placed on “decision-making” leave. Decision-making leave is a day off with pay. The employee is directed to think about the documented problems addressed in the written reminders and to determine whether to make a total performance commitment to meet acceptable performance standards or to resign.

If the employee refuses to “commit to improvement” or to resign, the agency or institution proceeds with the termination process.

It is recognized that there are instances when immediate dismissal is necessary. The Discipline Without Punishment model does not preclude an employer from dismissing employees in such cases.

The following chart compares the traditional approach to discipline presently used by Washington State to the Discipline Without Punishment approach. This chart is found and explained in detail in Dick Grote’s book.²³

²³ The book is Discipline Without Punishment, AMACOM Press. And the website is GroteConsulting.com.

Traditional Discipline Process**Informal Transactions**

Coaching and counseling

Formal Disciplinary Transactions

Step 1	Oral warning
Step 2	Written warning
Step 3	Suspension without pay Final warning Probation
Step 4	Termination/Discharge

“Discipline Without Punishment”**Informal Transactions**

Positive contacts

Performance Improvement Discussions

Formal Disciplinary Transactions

First	Reminder #1
Second	Reminder #2
Final	Decision-making leave

Termination

Both the traditional and the positive discipline approach encompass the premise of progressive discipline. In addition, both approaches are consistent with the civil service statute. The team members' thoughts regarding the pros and cons of the Discipline Without Punishment approach are itemized below:

Discipline Without Punishment	
Pros	Cons
Addresses performance problems before the problems are extreme Seeks employee commitment to change Increases employee accountability Provides employees with incentive to correct behavior or improve performance Focuses on future performance improvement rather than punishment Enhances communication between employees and supervisors Clearly identifies and documents problems and expectations for employee Provides process consistency Can be used for a variety of employee concerns including attendance issues, conduct issues, and performance and attitude issue	Requires a system-wide cultural change Requires extensive training (and associated training funds) for managers and supervisors Decision-making day may be viewed by some as a bonus rather than a performance management action Decision-making day may impact workload of other employees Does not allow the range of disciplinary options currently allowed by statute Some feel it may not be practical for 24/7 organizations or institutions or off-site remote locations Dismissal is the only sanction available and may not be defensible on appeal

It is noted that organizations that are using the Discipline Without Punishment approach find that they have fewer appeals and that their actions are almost always upheld.

Recommendation:

Implement a positive discipline pilot program for selected agencies and institutions on a voluntary basis. Agencies/institutions should have the flexibility to determine which process best meets their needs (e.g., the updated current process, a positive discipline model, or modification thereof as designed by the organization).

Recommendations for other general aspects of disciplinary action include the following:

- *Regardless of the disciplinary approach selected, the pertinent rules should be reviewed and updated. In addition, the team believes that administering a single disciplinary approach for all employees is the most administratively practical approach to take.*
- *Retain the rule that enables removing supervisors from supervisory positions for tolerating poor performance by subordinates.*
- *Develop or revise rules for administrative actions or non-disciplinary separations such as RIFs, loss of licenses, probationary separations, disability separation, etc.*
- *Remove or reduce the 15-day notice requirement for disciplinary actions or allow dismissal with one day's notice and pay-out for the remainder of the notice period.*
- *Update the rule on abandonment to expedite dismissals.*
- *Update the disciplinary causes in the current WACs to create flexibility to address the specific behavior or actions of misconduct.*

Appeals

Due process and appeal rights are highly important components in the performance management and other key aspects of the present and the new human resource system to ensure appropriate employee protections. Appeals are discussed in Section 6 of this document.

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SECTION 4

Reduction-in-Force

Page

87	Background
87	Summary of Customer Comments and Problem Identification
89	RIF Recommendations
89	Reduction-in-Force Avoidance
90	Seniority Options
90	Employee Retention Options
	Staff Retention Factors
	Layoff Unit Composition
	Vacancy Options
	Bump Options
	Options for Performance Factors
	Options for Skill and Competency Factors
92	Notification Options
93	Reasons for Layoff
93	DOP Approval of Layoff Procedures
93	Re-Employment from RIF
96	Further Considerations
98	Reduction-In-Force Concept Team

Reduction-in-Force

Background

The Department of Personnel convened a Reduction-in-Force (RIF) Concept Design Team composed of 15 members representing state agencies, higher education institutions, and labor. Team members are listed at the end of this section.

The team developed options surrounding many aspects of RIF, from how to avoid or mitigate a RIF, to what criteria should be used to determine how a position is identified for layoff, how employee retention is determined, and how rehire priority is established. The team endeavored to identify ideas that addressed concerns expressed in customer surveys, and possible effective remedies for some of the most widely heard complaints and concerns regarding the RIF process.

For all options pertaining to RIF issues, the team considered the consensus-based products of the “merger task force”, a group formed in the 1990’s to merge general government and higher education rules pertaining to RIF. In many cases, the team recommended further consideration of those products. However, when they were written, the RCW still required seniority as the sole basis for layoff and rehire, and a rule of seven for other referrals. The civil service reform law has eliminated these requirements. Therefore, the products from the merger task force were not always a preferred option.

After careful review of the team’s recommendations, the Department of Personnel identified the most viable options. These are presented herein for consideration and feedback from a broader audience.

Summary of Customer Comments and Problem Identification

The team reviewed the data and comments provided by managers and employees as part of the 2002 DOP customer research. The following excerpts from the customer research report summarize many of the key concerns with the existing RIF process and served as important considerations when identifying viable options:

Historically, by law, the sole basis for determining who would be laid off during a reduction-in-force has been seniority; the most junior employees are the ones who are bumped and laid off. In designing the new HR system, managers, employees, and HR professionals were asked whether the basis for layoff should be seniority only, performance only, or a combination of the two. The majority felt that the basis for layoff should be a combination of seniority and performance.

Employees and managers strongly favor a combination of seniority and performance. For the most part, those in favor of a combination felt that while

longevity should be valued and appreciated, organizations cannot afford to lose strong performers just because they have less seniority.

The logic of laying off high performers and retaining poor performers solely on the basis of hire date does not resonate well with most employees and managers for various reasons. Generally, the respondents indicated that citizens are best served, and resources best utilized, by retaining persons who can best get the job done. Some commented that in difficult economic times, it is all the more important to retain highly productive employees. Others indicated frustration or distaste for continued protection of unproductive employees who seem to be just putting in their time.

Many of those who favor performance as a consideration in layoff, also strongly stress that the performance assessment and decisions be fair and credible – that safeguards must be in place to prevent favoritism or other abuse.

Most of those who advocate a seniority-only basis for layoff comment that this is the only fair and objective approach. Generally, they feel that performance cannot or won't be objectively measured and that this would open up the door for favoritism, patronage, and other unfair treatment. Some were concerned that senior, more expensive employees would be targeted to save more costs.

Some respondents offered alternative approaches. Most common was to retain persons on the basis of the critical needs of the organization, i.e., those who have the competencies most needed to carry out the mission of the organization, regardless of their job. There were a few suggestions that first to be laid off should be those who are eligible to retire.

On the related issue of determining re-employment from layoff, 64% of employees felt that a combination of performance and seniority should be the deciding factor. While sensitive to a laid off employee's situation, most respondents did not consider it wise to force placement of someone in a job for which he/she is not well suited. Focus group discussions supported this view and explored the value of a RIF support system that offers alternatives to guaranteed re-employment, such as re-training, severance pay, and/or outplacement services.

Several other issues identified by agencies as problematic in the present system include:

- Calculation of seniority is too cumbersome
- Bumping process is horrendous, disruptive, and very expensive
- Bumping does not provide for best job matches
- RIF rehires do not have a review period
- RIF is used to deal with performance problems
- Time frame on RIF registers is too long
- Rule of 1 for re-employment from RIF is too restrictive

Managers don't understand the process

Formal layoff options vs. informal options are too confusing and sometimes too limited

Reasons for RIF are too restrictive

Definition of reasonable commuting distance is not consistent

RIF candidates have the right to refuse a vacancy

RIF Recommendations:

Reduction-in-Force Avoidance

Recognizing that RIF actions are viewed by employees and managers as undesirable, strategies for RIF avoidance and mitigation were sought. The more options that can be available to mitigate RIF the better.

It is important to note that the reasons for RIF (e.g., lack of funds, lack of work, or reorganization for efficiency purposes) and its scope (e.g., size of the budget cut and the number of positions to be affected) will play a key role in determining when to implement RIF avoidance strategies and in determining which ones are likely to be most effective.

Recommendation:

Approaches to avoid or mitigate layoff that are pragmatically and statutorily viable within are listed below. Many of these are currently available. Some might need new authorization.

Part-time and job-sharing alternatives

Reassignment to vacancies

Voluntary demotion

Voluntary leave without pay

Voluntary RIF

Severance package for voluntary resignation

Outplacement

Contracting in (expand fee based services)

Hiring freeze (employer determined)

Inter-agency agreements for transfer of layoff-risk employees to other agencies

Seniority Calculation

The present process for calculating seniority is very complex, difficult to understand, and requires manual calculations and verification of seniority, thus taking a lot of time and staff resources. General government HR managers have expressed a strong desire to have seniority calculated by the computerized human resource information system. A simplified method of calculating seniority that is fair and equitable while reasonable to administer is recommended.

Recommendation:

Retain current seniority calculation methods for higher education. Make the following changes for general government:

- *Eliminate the requirement of adjusting seniority by calculating intervening non-working days*
- *Only count paid time worked when calculating seniority²⁴*
- *Other simplification to allow calculations through automated HR information system*

Employee Retention Options During RIF

Optional criteria for determining preference in who would be retained in the event of a reduction-in-force are discussed below. Six categories of options are presented: staff retention options; layoff units; vacancy options; bumping; performance factors; and, skill and competency requirement options.

1. Staff Retention Factors (for managers and employees)

As mentioned previously, in the 2002 DOP customer survey, the majority of employees and managers felt that performance should somehow be factored into layoff decisions. Some respondents felt that seniority should be the only factor; and some felt that performance should be the only factor.

Seniority should continue to be a key factor in determining layoff. But other legitimate factors should also be considered where appropriate. DOP concurs with the RIF Concept Design Team that agencies and institutions should be given the discretion to determine, within guidelines, what combination of factors best meet their business needs, organization culture, and readiness.

Recommendation:

In addition to seniority, agencies/institutions should be authorized by rule to include their choice of other factors in its layoff plan or policy, such as performance, skills/competencies, and/or other legitimate business requirements.

²⁴ Unless legally required, such as unpaid military leave.

This option for staff retention allows flexibility for agencies/institutions to develop plans for a wide variety of job classes and to meet the needs of negotiated agreements. If any decisions about bumping, who to retain, and who to lay off continue to be within an organization, differences between agencies should not be a problem.

2. Layoff Unit Composition

Recommendation:

Leave up to agency/institution to determine or negotiate layoff unit composition without centrally imposed criteria. New rules or procedures should maintain the permissive concept of a series of progressively larger units and the ability to have separate units for special employment programs.

3. Vacancy Options:

The RIF Concept Design Team felt there should be the ability to offer more alternatives to vacancies before considering bumping.

Recommendations:

Provide the ability to consider vacancies where the person has not held permanent status.

Providing the ability to retain current pay level to a vacancy that would technically be a demotion could provide an incentive to accept a vacant position.

4. Bump Options:

The RIF Concept Design Team identified a number of possible options ranging from a stringent requirement not allowing bumping, to having a variable bumping policy that would be discretionary to the agency/institution.

Recommendation:

Bumping should be allowed into job classes in the class series in which permanent status has been held.

It is important to note that the specifics of this recommendation will need to be coordinated with whichever classification option discussed in Section 1 of this document is selected. With a move to occupational categories and broad classes, the need to consider skill or competency requirements will likely become an important factor.

5. Options for Performance Factors

Whether performance becomes an optional factor or a mandatory factor in making layoff decisions, there will need to be alternative ways to incorporate it. The team also

recognized that an appropriate performance appraisal tool is needed to be able to use performance as a factor in any RIF decision (discussed in Section 3, Performance Management).

The use of performance as an absolute or sole factor in lay-off was not considered a viable option. It is too much of a cultural change given all the other proposed changes for the new HR system and would not be consistent with employee and manager preferences as expressed in the DOP customer survey.

Recommendation:

Each agency/institution would decide how to factor in performance. This option takes into account that the state has a wide variety of jobs, some of which lend themselves to significant performance differences and some of which do not. DOP would need to provide guidelines and models.

6. Options for Skills and Competency Factors

Inappropriate job matches is one of the biggest problems that organizations and employees face with the current RIF policies and practices. Presently, the only tools available to mitigate this are the use of selective (general government) or specific position requirements (higher education) and the ability to waive. The present process for doing so is cumbersome and often ineffective. With broader classes and the use of desirable rather than minimum qualifications, it will become even more critical to have an effective means of identifying skill and competency needs by position.

Recommendation:

Provide criteria in rule that agencies/institutions could use to make decentralized decisions about skill and competency requirements.

For example, agencies/institutions could decide skill/competency requirements for their positions based upon documented information such as:

- Licensing/certification*
- Minimum qualifications*
- Recent position review*
- Position specification requirements*
- Requirements at last recruitment*
- Current position assessment (at time of layoff)*
- Other documented criteria*

Notification Options

Recommendation:

The following provisions should be addressed regarding notification issues:

- *Retain 15 day minimum notification period, encouraging agencies to provide more if possible*
- *RIF option selection period per organization's RIF plan, or as negotiated*
- *Provisions for employee to waive notification requirement to move to another vacant position, or another agency*
- *Provisions allowing employer to provide pay in lieu of notice for termination*
- *Update notification requirements to those on layoff lists*

Reasons for Layoff

Recommendation:

It is recommended using the language developed for the merger rules, with the addition of the clause "reasons include, but are not limited to...". The reasons for layoff are:

- *Lack of funds*
- *Lack of work*
- *Good faith reorganization for efficiency purposes*
- *Ineligibility to continue in a position which has been reallocated*
- *When there are fewer positions than there are employees entitled to such positions either by statute or within other provisions of merit system rules*

DOP Approval of Agency/Institution Layoff Procedures

Currently, the personnel system WACs require agencies and institutions to develop a RIF policy and to submit it to DOP for approval. The process is very time-consuming for agencies and DOP; and, even though DOP approves the procedure, layoff is still subject to appeal.

Recommendation:

Discontinue the requirement for DOP approval of layoff procedures.

Re-employment from RIF

The RIF Concept Design Team looked at alternative criteria for re-hiring individuals laid off as a consequence of a reduction-in-force. Options are described below for internal re-hire lists, statewide re-hire lists, and the RIF Transition Pool (RTP).

Within an organization, the basis for re-hire could be the same as the basis for layoff, if the number of names is limited. This basis could potentially be different in different organizations. In all cases, the only laid off employees eligible for the re-hire lists would be those with permanent status in the job class or lower level class series.

1. RIF Re-hire Options - Internal List:

Time on Re-hire List (or register):

Option 1:

Two years with the ability to extend one year.

Option 2:

Two years.

Recommendation: TBD

Number of Names Referred:

Mandatory hiring and inappropriate job matches are significant issues for managers. The need for a job and limited opportunity for waivers may cause employees to accept positions they would not prefer. The more open the referral is, the better the chance of good matches. However, wider competition potentially decreases the opportunity for re-hire; and the broader the opportunity, the further away from the concept of “making the person whole.” Broader classes are likely to require an even greater need for the ability to do good job matching.

Option 1:

All internal RIF names. This would open the job match choice.

Option 2:

All internal RIF names plus internal promotional names. This opens the job match choice, but increases competition.

Option 3:

Consider all internal RIF names, plus all internal movement names (promotion, transfer, etc.).

Recommendation: TBD

Transition Review Period:

The concept of a transitional review period is consistent with that of the merger rules and the current RTP practices. It is a no-fault period during which either the organization or the employee can decide the job match is not good, and the employee retains the right to return to RIF registers.

Recommendation:

Employer determines if employee serves alternate review period when appointed from an internal re-hire list.

2. RIF Re-hire Options - Statewide List:

Time on Statewide Re-hire List (or register):

Option 1:

Two years with the ability to extend one year.

Option 2:

Two years.

Recommendation: TBD

Number of Names Referred:

Option 1:

All RIF names plus an unspecified number of internal promotional names.

Option 2:

All RIF names, plus all system-wide movement names.

Option 3:

Ability to consider all names referred.

Recommendation: TBD

Transition Review Period:

Recommendation:

Employer determines if employee serves alternate review period when appointed from the statewide re-hire list.

3. Re-Hire Options – RIF Transition Pool (RTP) List:

Recommendation:

Any employee laid off or at risk of RIF would be eligible for the RTP. The person's name would normally remain on the list for two years. The number of names referred would be those with 80% or higher skill match. All those appointed would be required to serve a transition review period. The team felt there should be an unlimited number of waivers for employees on this list. Performance can be factored in at the time of interviewing.

Further Considerations

The RIF Concept Design Team recognized the need to have a strong performance management system in place if performance is to be a factor in any RIF and re-employment from RIF. Commitment by the agency/institution to do performance evaluations well and on time is critically important. A supplementary tool with some type of rating scale based on observable behavior/performance would likely be needed. Additional tools or support may also be needed to identify skills or competencies in the broader class structure. These performance management concepts are discussed in detail in Section 3 of this document.

Employee Support Needs

- General information and training on RIF process and potential outcomes
- Job opportunities in other agencies, and outplacement services
- Counseling or referral (fiscal, mental health, etc.)
- Information about unemployment insurance, health care, retirement, and deferred compensation
- Job search tools and techniques
- Re-location information
- Information on appeals
- Re-training opportunities

The following services are currently provided by DOP for employees:

- **RIF Information Sessions:** The DOP offers RIF information sessions to provide a one-stop source where laid off, at risk, or affected employees of a RIF can gather information, sit in on training sessions of interest to them, and talk to representatives to get their questions answered. DOP can have job fair recruiters available at these sessions to provide up-to-date recruiting opportunities.
- **Career Services Program:** The DOP Career Services Program offers a variety of workshops and services to assist employees during their job search or career transition. They assist in determining individual needs, evaluate options, and help access appropriate workshops, resources, and services. One-on-one guidance advisors are available on all aspects of conducting a career transition, including: job search action plan, networking resources, resume advice and critique, state application assistance/review, interviewing techniques, connections to DOP staff expertise, and RIF/layoff career changes.
- **RIF Transition Pool (RTP):** Employees who have been separated by a RIF or notified by their agency that they are “at risk” of being laid off are eligible for

placement in the RTP located at the Department of Personnel. The RTP is a job placement service that relies on skills matching to help the employee gain greater exposure to state job opportunities. As openings become available, agencies are given a list of qualified candidates from the RTP for consideration.

- Employee Advisory Service (EAS): EAS provides assistance in dealing with issues employees and supervisors may be facing as a result of the RIF process which can be difficult for staff who are RIF'd, as well as those who are not.

Employer Support Needs (Managers and HR staff):

- General information and training on RIF process and potential outcomes
- Services and information on sources available to provide to employees
- Stress reduction/coping
- Training and development options for RIF'd employees and those who bump into a different job
- Guidelines, checklists, or models used by other organizations
- Job match options
- Rules and procedures (unit policies, collective bargaining agreements, etc.)

The following services are currently provided by DOP for managers and HR staff:

- RIF Support and Resources Team: Many managers also find the RIF process overwhelming. DOP staff is available to work with managers and with agency human resource staff to explore solutions for individual agencies. The goal is to help agencies understand how the process works.
- Career Transition Services: Program staff are available to work with human resource staff to customize programs for displaced employees within an agency and/or tailor workshops to meet agency needs.

Appeals

The civil service reform legislation ensures that non-represented employees have appeal rights pertaining to reduction-in-force rules violations. Appeal rights are discussed further in Section 6.

Reduction-in-Force Concept Design Team

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SECTION 5

Work/Life Balance Options

Page

100	Background
100	Work/Life Programs and Recommendations
104	Holidays and Leave – Options and Recommendations
106	Telework Recommendations
107	Work Schedule Recommendations
107	Other Employee Support and Benefit Issues
108	Work/Life Balance Concept Team

Work/Life Balance Options

Background

Progressive organizations often consolidate certain employee benefits and flexible workplace policies into an integrated “Work/Life” program. As part of the HR 2005 concept design effort, the Department of Personnel convened a team to look into how work/life balance issues should be incorporated into the state’s new human resource system.

The Work/Life Balance Concept Design Team was composed of nine members representing state agencies, higher education, and labor. The team members are listed at the end of this section. The team met from February through early March 2003 to evaluate existing leave and benefit (excluding insurance and retirement benefits) policies and programs, and to identify and make recommendations for possible modifications. Specifically, the team addressed the following topics:

- Work/Life programs or integrated packages
- Leave policies and practices
- Telework (telecommuting) policies and practices
- Work schedule designations

Washington State government offers much in this aspect of human resource management already. The majority of the needs for change are in the simplification of rules, consolidation of higher education and general government rules, consolidation of information, and development of additional tools and resources.

Work/Life Programs and Recommendations

Work/Life balance is about the interconnection between the employee’s job and his/her life away from work. It acknowledges the broad range of personal issues that can affect the workplace, and the many ways in which work and the work environment can influence an employee’s personal life. Work/Life strategies are initiatives that support the employee’s ability to balance the many demands they face in daily life.

Many employers, especially those vested in tracking their investment in their workforce, are finding that the implementation of an integrated Work/Life program pays off with regard to the business bottom line. Work/Life programs have been shown to:

- Reduce costs related to hiring, training and development, and health insurance
- Increase productivity, by reducing absenteeism and stress
- Strengthen employee commitment by providing workplace flexibility and choices

- Help attract and retain talent
- Create access to a broader range of talent (for example, offering flexible schedules and telecommuting create access to talented individuals who might otherwise not be able to work, or who would not ordinarily be available for undesirable locations)

The well-designed Work/Life program benefits all employees within the organization. All employees at some time in their life will experience a situation or life change that will either affect, or be affected by their work. Implementation of a flexible schedule may allow employees time to volunteer at a school, reduce day care or elder care costs, or continue their education. Employee assistance services offer employees support, guidance, or resources to assist through a personal crisis. A shared leave program allows an employee to maintain benefits and wages during a time of a family or personal medical crisis.

Work/Life Programs in Other Public Jurisdictions

Examples of public sector Work/Life programs are described below:

University of Washington

The University of Washington (UW) offers a comprehensive Work/Life Program for faculty, staff, and students. It has a comprehensive informational brochure providing a list of resources and programs available through their Work/Life Program.

Examples of some of the services include:

- A Work/Life Resource Center that provides leave policy information, and publications, videos, books, and other resources on a variety of topics, including parenting, childcare, aging, eldercare, and balancing work/family/life responsibilities.
- A Sick ChildCare Program that provides a working parent with an ill child an alternative to staying home to provide care. Through Virginia Mason Medical Center, the parent can elect to use their Sick ChildCare Program to care for a mildly ill child, allowing the parent to work. (The City of Seattle and King County have also made this program available for their employees.)
- A Caregiver Directory assists in locating caregivers for childcare or eldercare.
- Lactation stations are located throughout the campus for both working and student mothers.

The UW's Employee Assistance Program (EAP) is an integral part of their work/life program. It provides assistance for a wide variety of life issues including stress, parenting, grief, aging, abuse, alcohol/drugs, marriage, legal or family issues. As they acknowledge the effect of financial or legal problems on daily stress and anxiety, professional help is also available to help address credit, bankruptcy, divorce, civil/criminal disputes, or a wide variety of other issues.

The UW has also developed policies and guidelines for telework and alternative or flexible work schedules, posting them on their website for employee accessibility.

State of Colorado

In Colorado, an executive order and joint house resolution establishes accountability for leadership through a requirement to include work/life information to new employees and to evaluate supervisors on their use of work/life programs and practices. Colorado offers alternate work arrangement programs, employee discounts, and resource and referral information as part of a work/life balance strategy for its employees. The Colorado employee discount program is available to all state employees. Various businesses, including those providing child care, computers, cellular phone service, health clubs, pre-paid legal services, insurance, and mortgage loans offer a discount to state workers.

University of Arizona

The University of Arizona (UA) was recognized as one of the “20 Cutting Edge Work/Life Programs” by the National Institute of Business Management for having one of the most integrated “whole person” models in their UA Life & Work Connections program. Their program focuses on working with employees from the time they begin employment through retirement. They offer a “family” of services, including:

- Employee Assistance Counseling/Consultation provides individual counseling and departmental consultation services on a variety of personal and workplace issues.
- Worksite Wellness offers educational presentations and activities, such as flu prevention and wellness screenings for employees.
- Childcare and Family Resources offers a broad spectrum of information, referral, and educational services with current or anticipated child care and parenting issues.
- Elder Care and Life Cycle Resources provides information referral and educational services for employees who have or anticipate eldercare and family caregiving issues.
- Work/Life Support offers resources and support to employees and departments on current issues and emerging trends in the work/life field.

The UA also has a central Work/Life Center and informational resource group. Its website is very well designed, outlining the program, resources, and providing valuable information to employees.

Federal Office of Personnel Management

The United States Office of Personnel Management contains an Office of Work/Life Programs which develops policy and offers guidance and technical assistance to the various federal agencies administering work/life and wellness programs.

Federal Department of Health and Human Services

The Quality of Work Life Initiative is a program designed to enhance the agency's service to the public by improving employee satisfaction, strengthening the workplace

learning, and helping employees better manage change and transition. An annual employee survey helps to identify workplace issues that need to be addressed. Since the introduction of the survey, new practices have been implemented. They include conferences on family friendly work practices and diversity, creation of a central Work/Life Center, avoidance of involuntary separations, pilot projects to redesign work to improve productivity and work/life balance, and the creation of an internal change agent network to help manage change and transition. The program is department-wide, however, flexibility is granted to the divisions to offer flexible work arrangements that best suit their particular mission and culture.

Work/Life Program Recommendations for Washington State

Washington State government presently has many of the features and programs contained in the best work/life balance programs, such as an Employee Advisory Service, flexible schedules, Shared Leave Program, dependent assistance programs, telework, and leave for family care. These programs are working well, providing needed assistance and support to our employees.

While Washington State does have a number of programs available to support the needs of our employees, we are lacking in any central coordination or marketing of those programs. Our employees do not have a designated central resource to provide comprehensive information on the available policies and services.

Within agencies, the human resources office has this information, but this resource is not always readily available to employees in locations that are removed from these offices. The Department of Personnel also has this information and offers assistance through various sources. However, there isn't one central source, or a consistent effort to package information for Work/Life balance issues.

Recommendation:

An integrated Work/Life program should be incorporated in the state's new human resource system. This includes the establishment of a dedicated information resource to provide assistance to agencies wanting to establish agency-specific resource programs, and possibly an overall statewide program for those employees in agencies/institutions without an internal program.

Consideration should also be given to the development of a website dedicated to promoting the services Washington currently has available. Agencies could link the information from their intra-agency website and allow easy access for their employees. Creation of a website is an important component to a successful marketing strategy. Implementing such an approach would not necessarily require additional staff resources, but rather a consolidation of knowledge and programs.

Holidays and Leave - Options and Recommendations

The Work/Life Balance Concept Design Team looked at the existing laws and rules governing the Washington State personnel system to compare and contrast policies with those of other public entities. In terms of paid leave, Washington State is in the low middle range for leave and paid holidays.

The following outlines the present policies and shows the team's recommendations. The Department of Personnel is not advancing these recommendations at this time, due to the need to address higher priority issues outlined in previous sections of this document. The recommendations will be considered at a later date.

Vacation Leave

Vacation leave accrual ranges from 12 to 22 days per year, depending upon the employee's length of service. The other states range from 13 to 30 days per year. Higher education and general government accrual rates vary at some years of service points, although the minimum and maximum accruals are the same.

Recommendation:

- *Increase to the minimum-maximum accrual rate.*
- *Simplify and consolidate accrual rules. Provide for consistency in the accrual rate for all state employees, using the higher education rate.*

Sick Leave

The rate of sick leave accrual is eight hours per month. This is about average in comparison to other jurisdictions, although some offer 15 days per year. While some usage differences exist between higher education and general government, the basic concepts are consistent, allowing for personal illness or preventative care, family care, and some types of parental leave.

Recommendation:

- *Simplify and consolidate rules.*
- *Add the ability to use sick leave to care for a sibling.*

Parental Leave

Leave for parenting purposes is presently incorporated into sick leave.

Recommendation:

Consolidate/simplify all childcare and parental leave rules into one leave section.

Bereavement Leave

Currently, bereavement leave is available in this state to the employees of higher education institutions. General government employees must use sick leave or annual leave for bereavement. Most other states offer bereavement leave ranging from 3-5 days per covered occurrence.

Recommendation:

Create bereavement leave for all state employees, using the language in the present higher education rules.

Paid Holidays

Washington State allows 10 paid holidays. Other states range from 9-17 paid holidays per year. No change is recommended, as these are legal holidays set forth in statute.

Personal Holidays

One personal holiday per calendar year. Other states range from 1-6 paid personal days per year. No change is recommended, as this provision is set forth in statute.

Recognition Leave

Presently, Washington State general service does not have provisions allowing additional paid leave as a reward for exemplary performance. It is becoming a common practice in other jurisdictions to grant additional paid leave in conjunction with performance evaluations as a reward. Awarding additional leave is viewed as an important performance incentive, especially in times when a pay raise, or other remuneration, is not possible. The University of Washington offers discretionary leave, up to six days per calendar year, as a reward for noteworthy achievements and/or work effort for professional staff. Discretionary leave must be used prior to use of vacation leave, must be taken before December 31st, and is not subject to cash out.

Recommendation:

A rule should be added to allow additional leave to be granted in recognition of outstanding performance, achievement, productivity, or other exceptional situations which merit recognition. Recognition is also discussed in Section 3, Performance Management, of this document.

Civic Duty (Jury Duty)

Existing rules are inconsistent. Higher education rules require employees to reimburse the institution for all civic duty compensation received, exclusive of expenses incurred. General government rules allow employees to retain such compensation.

Recommendation:

All state and higher education employees be allowed to retain compensation for performance of civic duty (e.g., payment for serving on jury duty).

Miscellaneous Leave

General government has civil leave as part of miscellaneous leave; higher education has a separate leave category for civil leave (civic duty).

Recommendations:

Revise rules to resolve inconsistencies between general government and higher education with regard to civil leave.

Add language for organ donation and other life giving procedures to reflect Executive Order 02-01.

Add language for volunteer leave.

Other

No changes are recommended for the following, as they are prescriptive in statute and/or covered under federal mandates: military leave; FMLA; shared leave; sick leave cash out; and, vacation leave cash out.

Telework Recommendations

The team did not feel that the issue of telecommuting should be addressed in rule. Agencies and institutions should continue to create their own internal policies and procedures governing employee use of telework options.

Executive Order 01-03 concerning commute trip reduction, directs the state to take a leadership role as an employer in adopting programs to reduce commute trips by implementing programs to allow for flextime and telework options for employees. Each agency is responsible to adopt written policies and define criteria and procedures for flextime and telework options for their employees.

The Interagency Task Force for Commute Trip Reduction, created under Executive Order 01-03, developed Telework Policy Guidelines and Flexible Work Hours Policy Guidelines for state agencies. The Guidelines (available through the Department of General Administration) provide clarification, outline agency and employee responsibilities, and give process guidelines for agencies/institutions.

Recommendation:

Continue existing policy of agency discretion and flexibility in telework issues.

Work Schedule Recommendations

Note: Section 1, Classification and Compensation, addresses scheduling issues affecting compensation, including work period designation, in the discussion of overtime pay.

RCW 41.040.390 provides for use of flexible work schedules and finds that flextime should be used by agencies to the maximum extent possible. The law does not require agencies to consider flextime time if it would impede service to the public, affect the hours an office is open to the public, or affect the agency's ability to accomplish its mission in any way.

Current WACs for both systems allow considerable flexibility for alternate schedules, compressed workweeks, and part-time schedules. The new rules should ensure maximum flexibility.

Recommendations:

- *Retain 40-hour workweek.*
- *Simplify and consolidate rules governing flexible and alternate work schedules, simplify and consolidate schedule change notification requirements, retain part-time scheduling options, retain job-sharing options.*

Other Employee Support and Benefit Issues

Employees of other public and private entities have taken advantage of group buying power, and discounts have been made available for employees for a variety of services, entertainment, and consumer goods. Some programs also offer assistance with financial, legal, and/or mortgage assistance. The type of assistance varies from referral services to short-term consultations with a professional in the given field. Consideration should be given to adding other components to the state's current program, provided they are low cost or no cost options, and consistent with the ethics laws of the state.

Work/Life Balance Concept Team

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SECTION 6

Appeals

Appeals

A separate concept design team was not convened to deal with the subject of appeals. Rather, each team (classification and compensation, recruitment and selection, etc.) discussed the need for due process and appeal requirements as part of their conceptual review. Because this is such an important issue, the Department of Personnel has since convened a special team to develop the rules and processes for appeals of personnel actions.

In summary, the civil service reform legislation provides for the following appeal rights:

- Employees who are not in a bargaining unit have appeal rights to the Washington Personnel Resources Board for the following:
 - Dismissal
 - Suspension
 - Demotion
 - Rule violations
 - Reduction in salary
- Employees in bargaining units will have provisions negotiated as part of their bargaining agreement
- All employees will have appeal rights to the Washington Personnel Resources Board for position exemption, allocation, and reallocation

Detailed recommendations for rules and processes concerning appeals are currently under development and will be available for review and input later in 2003.